

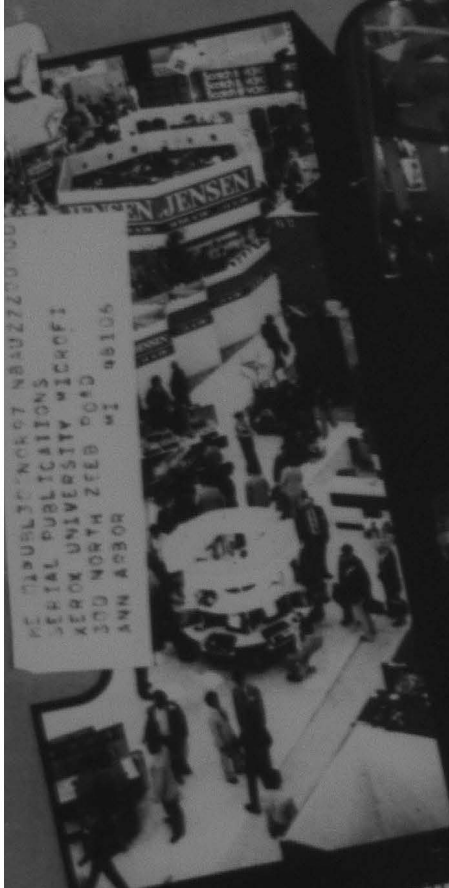
A GRALLA PUBLICATION

# Merchandising

JANUARY 1987

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

**Retailers and suppliers gear up  
for three big industry events**



**Winter Consumer  
Electronics Show  
Jan. 8-11**



**National  
Housewares Exposition  
Jan. 12-15**



**National Association  
of Home Builders'  
Convention-Exposition  
Jan. 23-26**

**Overviews of Consumer Electronics and Housewares Markets  
Retailers Consider the Videodisc: A Survey**

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# Bally PROFESSIONAL ARCADE

from ASTROVISION

CES booth  
2501

ARCADE \$299

ZGRASS-32 keyboard \$599

Complete system \$898.

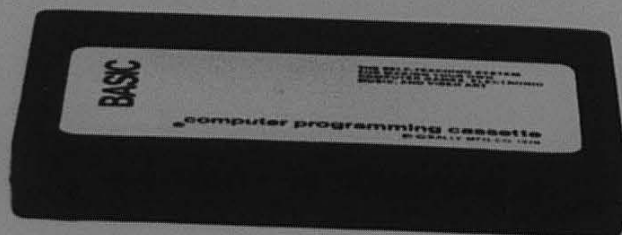


Developed by the leader in commercial arcade games, the Bally ARCADE is now available from AstroVision.

Software includes the Bally classics: Gunfight™, Checkmate™, Astro Battle™, Football, and many more. Cartridges now in production and testing continue this leadership with the best in sports, space simulations, and strategy games.

The ARCADE is more fun because it is more interactive, with the only 8-way joysticks with knob and trigger. More colors with 256 choices. Three octave music and sound effects synthesiser. And highest realism with fast action and the best software designs in the business.

## Bally BASIC System



There's no easier way to learn about computers than with the new Bally BASIC system. This plug-in cartridge with built-in audio tape interface converts the ARCADE into a personal computer you can program yourself. An optional self-teaching system makes it easy to learn programming while creating computer games, electronic music, and video art. The library of BASIC software on inexpensive cassettes expands these applications, and teaches more advanced programming techniques.

## 32K Computer

With the plug-in ZGRASS-32 keyboard, the Arcade becomes the easiest computer to use and the most powerful system available for creating graphics on the TV screen.

In addition to meeting standard business and home computing requirements, the ZGRASS-32 computer also provides extended capabilities for creating graphs and visual displays, interactive teaching systems, advanced video games, business simulations, electronic music, TV commercials, video titles, and animation.



Custom computer chips, specially designed software, and 32K additional RAM make this system so easy to use that BASIC programming experience is not required. The full power of this creative instrument is easily learned through its built-in teaching system. Expansion modules include disks, drawing tablets, monitors, light pens, and a host of RS-232 accessories.

## AstroVision

The ARCADE, BASIC cartridge, ZGRASS-32 keyboard, and complete software support are marketed by AstroVision. "We are totally dedicated to the personal computing industry," points out Dan Dawson, AstroVision President, "and our sole purpose is the continued evolution of computers as business, professional, and personal instruments." See Dan at CES booth 2501 or contact: AstroVision, 6460 Busch Blvd., Suite 215, Columbus, OH 43229. 1-800-848-6989.



## For these times it's GOLD STAR THE QUALITY CHOICE

SEE GOLD STAR AT CES — BOOTH NO. 815 EAST HALL.

Jerry Jourdan, buyer  
for Goldblatt's

other probably won't allow anyone to hit big early."

The videocassette's battle for significant share of the home entertainment market will depend on whether consumers can be convinced there are more advantages to owning a VCR than, or in addition to, a VCR. "Of course, we want people to buy either one, or both," said the New York retailer. "Our primary question to them will be whether they want to record off television or play prerecorded material. At least then we'll know how to sell them."

lengths in videocassettes, just wait till you talk to us. We're ready to help you sell the exciting products in our 1981 line like never before.



B type

Fine grain  
BERIDOL

MERCHANDISING

## RETAIL OPINION FILE

### Most dealers (66%) will sell videodisc players in 1981

Only 13% of the 406 retailers who responded to *Merchandising's* most recent national Retail Opinion File survey said they currently carry videodisc players, but another 66% indicated they expect to sell the new systems.

However, many of these retailers have serious doubts at this time about software availability, profitability (a concern borne out of their experience with videocassette recorders), the playback-only capability of videodisc players, and consumer confusion over the variety of formats being promoted by several manufacturers.

Curiously, with their concern over multiple technical formats expressed at some length in the comments received from these retailers—who represent a variety of retail outlets—some 39% of those who don't currently carry a videodisc player said they expect to merchandise both basic systems: Optical and capacitance.

"If the industry could agree"

From Oklahoma, the manager of an audio/hifi specialty store writes: "If the industry could agree on one format for the videodisc player, it would be assured of success."

An appliance/tv dealer said, "It would have been beautiful if we could have learned a lesson from the videocassette recorder market. If videodisc could be only one kind, everyone would sell more. But again we are challenging the customer's intelligence. It's not which is good, or better, but which is cheaper and which way will the consumer buy?"

At least one retailer said he wouldn't sell or service videodisc players until the industry standardized on one format.

A few compared videodisc incompatibility with quad stereo and VCRs. "There are too many formats," a midwestern dealer wrote, "and that may ruin the market after the initial out of the gate sales push."

Another said, "It is conceivable that when the capacitance system hits that both systems will sell as a high-end, low-end (trade-off). But when the third system from JVC

arrives, it could cause pandemonium."

Among retailers who already carry videodisc players, software availability and quality seem to be major complaints.

Discs are defective

"We would like to stock more videodisc records, but the quality

control problems keep us from doing so," one dealer writes. "Records are currently running 20-50% defective."

A New York tv dealer was a little more specific. "Magnavox has created a problem for us by not supplying or making available to us the videodisc titles. This could be a new and exciting addition to our business if the manufacturers don't foul it up."

And from a Nebraska hifi specialist:

"The single biggest problem we've faced is software availability. Although titles are listed in the catalog, getting them into the store has been the most difficult thing."

From another dealer: "Magnavox needs to get MCA (its software supplier) on the ball."

Still another retailer complained that the shortage of "good videodisc titles" coupled with service related problems with the Magnavision system were creating problems with his sales staff. "The addition of more brands of the same format will only add to the problem."

Several retailers addressed themselves to competition between videodisc players and VCR. According to one dealer, videodisc will help the VCR market when people realize they can't record on the disc.

Then there's retailers' concern about the disc players' inability to record.

"About 90% of our customers buy videocassette recorders to record," a New Jersey dealer said. "We are not that involved in prerecorded movies so I don't think videodisc will hurt our video recorder sales. But it will be hard to sell as an add-on."

"Recording is important to most consumers," another wrote.

Need more profit

Among the comments on profitability, an Ohio retailer said, "If there isn't any more profit in videodiscs than there is in videocassettes, we probably won't handle them."

And from yet another dealer: "We have watched but not contributed to the footbaling of VCR pricing. Probably the same will happen to videodisc players."

A more general comment came from this dealer in Iowa. "We carry RCA products and are not very happy with their handling of the disc players—advance commitments to Sears and Penney, etc."

"Magnavision is popular," an upstate New York dealer commented, "but consumers ask about the future."

#### Who will carry videodiscs? Just about everybody

Do you carry videodisc players?  
Yes 13%  
No 87

If yes, which of the following brands of videodisc players do you carry?

Magnavision 83%  
U. S. Pioneer 13

Do you expect greater consumer awareness and availability of videodisc players to help or hinder videocassette recorder sales?

Help 35%  
Hinder 11  
No significant impact 39  
No opinion 15

How many videodisc titles do you carry?

1-10 31%  
11-25 23  
26-75 17  
Over 75 29

The following responses were from retailers who don't currently carry videodisc players.

Do you expect to carry videodisc players?  
Yes 66%  
No 34

Which, if any, of the following videocassette recorder formats do you carry?

None 18%  
VHS 41  
Beta 11  
Both 30

How soon do you expect to start carrying videodisc players?

Immediately 6%  
Within six months 41  
Within one year 38  
Later 15

Do you carry prerecorded videocassettes?

Yes 20%  
No 80

Which of the following formats do you expect to carry?

Optical system 23%  
Capacitance system 38  
Both 39

If yes, how many different titles do you carry?

1-10 22%  
11-25 17  
26-50 28  
51-100 9  
101-200 13  
Over 200 11

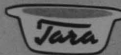
How many videodisc titles do you expect to carry initially?

1-10 31%  
11-20 19  
21-30 14  
31-50 16  
Over 50 20

## Tara Knows What's Cooking

Today, you'll find m'ovens in the most sophisticated kitchens. And Tara knows it. So we've designed our Tara Ware from odor and stain resistant Taralene® or Udel® in shapes precisely engineered for the unique way microwaves cook. What's more, Tara Ware goes safely from freezer to m'oven to table to dishwasher for maximum ease of usage. And Tara quality suits the most discriminating taste.

Tara Ware. For all the reasons he bought his m'oven in the first place.



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For years Atari has been working with laser technology so that someday the sheer visual excitement of holography could be



cassettes, just wait till  
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ready to help you sell the  
exciting products in our  
1981 line like  
never before.



B type

*Fine grain*  
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CASSETTES

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**TO PLAY**  
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## ATARI® INTRODUCES HOLOGRAPHY. THE NEWEST DIMENSION IN ELECTRONIC ENTERTAINMENT.

For years Atari has been working with laser technology so that someday the sheer visual excitement of holography could be combined with the addictive fun of electronic games.

Someday has arrived.

In the form of Cosmos, Atari's revolutionary tabletop computer game. Cosmos combines the fun of three dimensional Holographic™ images, superb LED game play and the most innovative, ear-tling sounds ever produced in this category.

Cosmos is portable, runs on electricity instead of eating batteries and is fun for everybody.

Because Cosmos is programmable it can handle a wide variety of cartridges. Right now there are nine: Space Invaders, Asteroids, Dodge 'Em, Football, Outlaw, Basketball, Road Runner, Sea Battle and Superman.\*\*

It's easy to see that Atari has added a whole new dimension to electronic computer games.



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## ATARI® AND SOME

Our newest offers the most advanced remote control.

Two quick make home video enjoyable by doing and cords that in

Now you can on your new com



# WITH.



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Our newest Video Computer System™ offers the most advanced design styling combined with the latest technological innovation: remote control.

Two quick action remote controllers make home video entertainment all the more enjoyable by doing away with the clumsy wires and cords that interfere with the action.

Now you can select, play and reset games on your new computer game without ever

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The new Atari Remote Control Video Computer System™. Sometimes we have to leave something out so you won't miss a thing.

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Our  
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Two  
make home  
enjoyable  
and cords  
Now  
on your ne

# ATARI JUST ADDED ANOTHER NEW GAME. AND ANOTHER. AND ANOTHER. AND ANOTHER.

With the introduction of four exciting new Game Program cartridges, Atari continues to be your single greatest source of video games.

First of the four is Asteroids\*, based on the phenomenally popular arcade attraction. Trapped in a deadly asteroid belt, you fight your way free against enemy spacecraft and asteroids.

Next is Video Pinball\*\*, the fast-paced action game that matches a clever computer against the pinball wizard in any family.

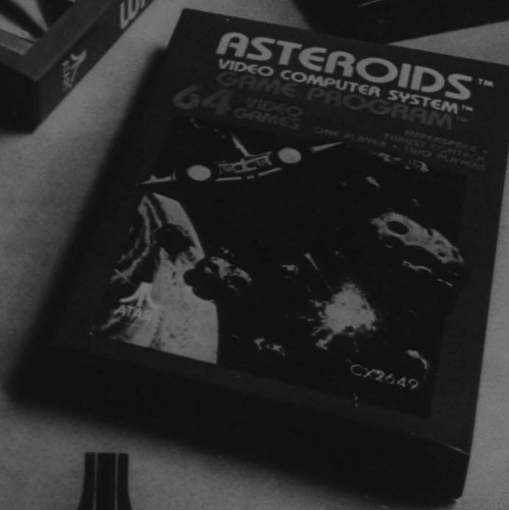
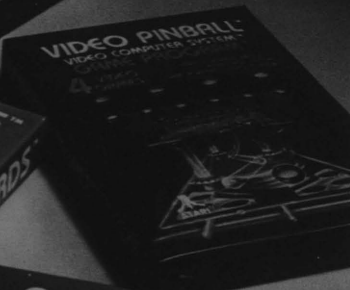
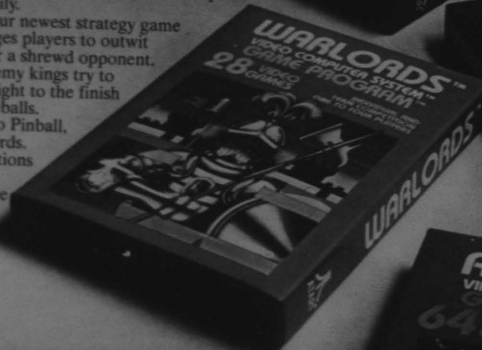
OTHELLO\* is our newest strategy game cartridge that challenges players to outwit the crafty computer or a shrewd opponent.

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Asteroids, Video Pinball, OTHELLO and Warlords.

They're the latest additions to the most extensive and successful cartridge catalog available anywhere.

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To see how the new Atari personal electronics products can improve your profit picture, come by our booth at CES. For the Atari sales representative nearest you, call toll-free 800-538-8547. In California call 800-672-1404. Or write to Atari, 1265 Bryant Avenue, Sunnyvale, California 94086.

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Video, person  
and audi  
st

of the RCA system will help build consumer awareness about videodisc, which will, in turn, result in consumers turning to the laser.

"Even the introduction of a third system will be a positive factor. It won't serve to confuse consumers. The competition provided by the VHD system will be with RCA, not us. The inherent technical advantages of our system will be beneficial to us in that situation," Talbot said.

He went on to say consumers will have a clear-cut choice as to which system they'd prefer. "There are too many differences in the formats to really confuse the consumer."

#### A tardy introduction

Despite being close to a year

200-million units will be shipped to dealers in 1981. Talbot said Pioneer expects disc players to show "six-figure" movement during that time.

#### Future remains cloudy

Some marketers of videodisc believe the future is so clouded that predictions on movement can't accurately be made. Ray Gates, executive vice president at Panasonic, said, "It is likely that 250,000 to 300,000 machines will be available to dealers in 1981. One can't predict what sales will be because there are so many unanswered questions."

Gates pointed out that Beta and VHS videocassette recorders can live together in the same market because they are both recording systems. "I don't see the same thing happening in disc. All the formats will depend

of the videodisc will depend on two things: Availability of software and whether or not consumers can stay unfused. "It's very important to keep consumers unfused about formats. We don't want a repeat of what happened a few years ago when a number of formats of quadraphonic sound came out. Consumers were so confused, they didn't buy anything."

Elias said there would be around 100,000 videodisc units sold in 1981.

Three formats, all competing for the consumer's attention, will have a positive effect on videodisc sales, according to James Egan, sales vice president at Magnavox. With more competition, the videodisc will improve dramatically. As consumer awareness grows, we believe the curve will show a lot of movement toward the disc," Egan said. Magnavox will spend significantly more money to promote its hefty share of

some ways because of availability. Stone, of Quasar, predicted a somewhat serious shortage. He said there won't be enough product on the market for at least two years.

#### Competition will stabilize prices

The nature of competition is likely to stabilize prices, at least through most of the year. Those in the CED camp are straining to keep prices as close to the under-\$500 level as possible. Those in the optical group will push to maintain retail prices in the mid-\$700 range in order to minimize the price point advantage of the CED system.

Some of the VHD marketers said prices will remain stable during the first year of production. After that, competition may force some erosion. Others in the VHD alignment say rollout is too far away to discuss price stability.

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This Panasonic Microcassette (RN-004) of compactness. Slip it into your pocket and take it anywhere. Slip it with one hand tape up to 3 hours of the classroom or at home. For its size

Parasonic's recommended price, but actual price will vary. Microcassette tape and batteries not included. Models RN-001, RN-004 and RN-500 let you record. Parasonic's "Analog" tape. Up to 1 or 2 hours with 60

## Overviews



### Big potential looms as full team of majors gives area shot in arm

The embryonic projection television industry is finally ready to be born.

After years of gestation, the high-end projection system is finally ready to greet the world properly.

Basically, the reason is simple. In the past, the promotion and merchandising ball has been carried by a handful of manufacturers.

In 1981, however, virtually all the major television manufacturers are committed to projection and their combined abilities are a shot in the arm to that segment of the video industry.

Most manufacturers believe 1981 will bring significant gains in consumer awareness about the product and therefore higher sales. The big budget commitments of the larger, more well known manufacturers will not only put projection in the minds of consumers but will attempt to show them that projection is a natural entertainment product for their homes.

By the latter part of 1980, RCA had jumped into the projection race. JVC was planning its entry and Pioneer was quietly firming its plans, gearing towards a summer '81 rollout. Curtis Mathes had introduced a unit before year's end and Magnavox was preparing to show its system in the spring.

What all this means to retailers is they can expect full support from the video industry as a whole in terms of advertising and promotion, and from their own suppliers in particular.

#### Year of the big push

Many of the delivery and service problems retailers have experienced have been ironed out on the manufacturer level and some execs said 1981 will be the year of the big push in projection.

Predictions for sales differ from manufacturer to manufacturer. According to Alex Stone, president of Quasar, between 80,000 and 100,000 units were sold in 1980. "It still has a small, selective market. The key to selling projection is to understand that and address ourselves to the real television viewer. The person who likes to watch TV under the best possible circumstances is the one most likely to buy a projection unit."

He pointed to football and movie devotees as examples.

Henry Kloss, president of Kloss Video, said consumer awareness will be the key to selling projection. "Hopefully, this year will be the year people will become familiar with it and look upon it as a thing they'd like in their home. The industry has to start looking at itself as a business and start pushing its product." Kloss said he believes estimates of 50,000 units sold in 1980 and 70,000 in 1981 are accurate.

"Projection will do better in 1981 because a lot of the problems with

distribution will be cleared up," said Ray Gates, executive vice-president, Panasonic. "In 1980 there was a problem with the industry. A lot of companies, including ourselves, didn't deliver until late in the year and it had a serious effect on sales. So the real positive impact of promotion won't occur until sometime in 1981."

JVC's Harry Elias, vice president of home entertainment, is somewhat more conservative in his estimate of units sold in '81, saying up to 60,000 units would be sold. "JVC is currently not into it, but (as of press time) I am going to Japan and one of the things I will do is determine how to get into projection. We feel it is an excellent growth area."

Fred Wellner, general manager, General Electric tv division, said GE has made a "heavy investment" in its wide-screen tv system. "We feel it will be a very big market. In fact, I would be surprised if it eventually didn't double every year."

Many of those interviewed said one-piece units will be the most popular format of projection. Gates said each of the three basic types of systems (one-piece front, one-piece rear, and two-piece) has merit. "My opinion is that the one-piece is the more logical unit. On the other hand, the two-piece is less expensive. I prefer the one-piece but we'll have to wait to see whether the consumer goes for what's logical or what's less expensive."

GE's Wellner said the one-piece is the only way to go. "The housewife doesn't want a big, ugly thing sitting out in the middle of the room."

Henry Kloss said the success of the one-piece unit will be one of the most significant aspects of the market in 1981.

Manufacturers are mixed in their price outlook for 1981. Each points to higher costs of production and components but differs as to where those costs should get absorbed.

"Prices won't go up in '81," said Kloss. "They won't go down the way calculators went down but they will drop in price."

Advent's new projection unit will rival Sony for the lower-end of the business. Despite its price, Bernie Mitchell, president of Advent, said

### "The industry has to start looking at itself as business and start pushing its products."

the new unit will solve some of the problems plaguing projection tv. "The reason projection tv hasn't sold better is that it's expensive and it's ugly. We don't have either of those problems with this unit. We see it as the best selling projection unit, the most copied, and in back-order immediately," Mitchell said.

Some manufacturers believe there will either be no cuts or, in fact, increases in price. "Projection prices will probably remain the same," said Panasonic's Gates. "TV prices are going up now because it takes more to make a quality machine, and that goes for projection as well." As a result, Gates said, any price erosion will be wiped out.

Fred Wellner said people shouldn't expect the price of projection to drop any time soon. "There's no magic to bringing the price down to \$2,000 or

even \$1,500. The job is to develop the technology."

Quasar's Stone said inflation and increased costs will keep its \$4,000 model either price-stabilized or subject to an increase.

However, RCA's unit will likely hit the market somewhere between \$2,500 and \$3,000.

Kloss said the future of projection tv is best served through lower prices. "I think the largest amount of business will be on sets costing closer to \$2,000 than to \$3,000. I don't think anyone has any business making a set for over \$3,000."

To date, units in the lower range are, or will be, marketed by Sony, Advent, Kloss, and RCA.



### Programmables strong; growth in promotions and special features

From all indications, 1981 stacks up as a healthy year for those who make and those who sell video games. The growing wave of consumer interest in video entertainment could propel video games to their most successful year ever.

According to manufacturers, microprocessor games, still at the top of consumer popularity, will enjoy a strong year as more games are introduced and consumers seek to build upon their collections.

The growing interest in programmable games is likely to reach new heights as many manufacturers make, or plan moves into the category.

Even dedicated games, recently passed over in favor of more sophisticated games, will receive a shot in the arm from consumers looking to enter the game category at a low price.

The market is currently wide open to software introduction, too. Hardware manufacturers are creating the interest in video games and consumers, in turn, seek more software to play on them.

#### Better than 1980

Richard Hoag, vice president, sales, Mattel Electronics, projected an exceptionally good year for the category. "The coming year will be significantly better than 1980. Products will be more visible, the distribution process has been solidified, and we'll be able to produce more units."

The momentum Mattel built in the latter part of 1980 has given 1981 a good start, according to Hoag. To maintain that momentum, the company will double its advertising budget and place ads throughout the year, not just during the fourth quarter.

"It's (video games) the kind of product that's often made popular by word-of-mouth," Hoag said. "Someone is told about the game, then sees it, and then wants one himself. There's a real thirst on the part of consumers for video games."

To satisfy that thirst, Mattel began marketing eight games last spring. By year's end, there were 17 games, and

by the end of this year, projections call for them to have 26 games on the market.

Hoag said providing enough software to satisfy game owners remains a problem.

Although sound effects are seen as an important trend by Hoag, he believes it's still a ways off. "We want to have professional sound and we're working towards it. We'll have voices that sound like real people speaking, instead of robots."

Mattel's "Intellivision," has been programmed to include a large vocabulary. "We had voice synthesis in mind when we built it, but it's very expensive to implement it," Hoag said.

He added that he expected prices of video games to increase by up to 10% during 1981.

Atari is also optimistic about the video games category, according to Raymond Kassar, president. "We're anticipating a year of strong growth. We know there will be large increases in the number of units sold, although I can't say by how much."

#### Will Have 50 Games

Atari currently has 40 games on the market, Kassar said. "By the end of 1981 we'll up that to 50 cartridges."

Kassar said prices for video games are on an upward swing. "Prices aren't going to go down, that's for sure. There may be a slight increase, a few percentage points perhaps, but we don't know if we'll implement one or by how much."

The popularity of voice synthesis is growing and will continue to grow, according to Kassar. "A number of companies are working on it, as are we. It's possible we'll have some products using voice synthesis on the market sometime during this year."

Sy Lipper, president of AFF, said although the company has a microprocessor unit on the market, the entire industry will move toward computer adaptations. "The microprocessor, cartridge-type game limits the consumer as far as versatility. A computer game allows you not only to have a game to play, but a computer as well. In addition, the cassette format for games within computers can be manufactured quicker and more efficiently than microprocessors, therefore you can get more product on the market quicker," Lipper said.

According to Lipper, sales projections for 1981 must be viewed in two ways. "I think you will see fewer microprocessor games sold in 1981. In that respect, the category will be down somewhat. On the other hand, if you include computer-type games, the category will be up significantly."

Prices, Lipper said, will not be going up. He said he expected prices to either remain stable or to erode somewhat.

There will always be a place for the dedicated game in the market," according to Arnold Greenberg, president of Coleco. "We see the business in this type of game increasing in 1981. The programmable game whets the appetite for all kinds of games. In light of all the expensive games on the market, you need one to satisfy the lower-ended consumer."

Although Greenberg said Coleco was the only major manufacturer of dedicated games in the United States, it is difficult to project accurate sales figures. "It's hard to gauge the volume of games entering the U.S.

MERCHANDISING

## The Pana It not only fits with more

Today, many of your customers are face car stereos that either have the right price. Or the wrong features at the right price, the right features but the dash of your customers' cars. That's introducing the Supreme Series.

They're five in-dash AM/FM stereo players that fit 98 percent of all cars may five years. And they give your customer for the money than anyone else.

Sophisticated features like a MOS FM optimizer. Impulse Noise Quieting circuit models even have Auto-Reverse and can that can play the new metal tapes.



# Overviews

from overseas. You can't really be sure how much competition you have."

## Voice synthesis is expensive

Greenberg warned those intending to include voice synthesis in games. "It's a very expensive process to add to a game. It will increase the price substantially. You can't sell that option if you're looking for novelty sales. You must be sure there is real play value either in entertainment, education, or in some other area. I'm afraid we'll see a proliferation of games on the market that are simply not worth the money," Greenberg commented.

He said prices are likely to be stable, or close to it, throughout 1981. "We may have to raise our prices a small amount, perhaps 5%."

The success of 1981 will be a function of three factors, according to Jim Levy, president of Activision. "It will depend on how many machines Atari wants to build, how successful 'Intellivision' was during this past Christmas and how much Magnavox wants to make a commitment to the category."

In all, Levy said the hardware part of the industry should grow by 35% to 40%. However, the increase in cartridges should top 50%.

"We've been shipping product for only six months and now we're sold out through March. The situation, to put it mildly, is explosive."

Activision, which manufactures software, has no problem getting components needed for production. "The only thing we have to realize is that electronics components have a very strict lead time that cannot be shortened. Even if we became very successful, we couldn't get components any faster than we are now."

Levy said there will be an edging up of cartridge prices in the coming months. He said discounting won't be as severe as it had been in the past. ●



## Blank Tape/Video

## Quality audio tapes are gaining in sales; video shortages seen

Audio and video blank tape suppliers are having a lot of fun trying to keep up with the market. It's fun because it's healthy.

Despite the obvious—rapid growth in both audio and video categories—there are some ongoing trends.

For one thing, the general tendency toward quality among U.S. consumers continues. According to Ken Kohda, vice president of TDK Electronics, the quality side of the market represents over half of both unit and dollar sales. "By quality I mean higher priced name brand," Kohda said. "I'm talking about tapes and tape products that have a full warranty clause, too."

Kohda believes the average price paid for a cassette will remain around \$3 for the time being, but that it will increase over this year. "In a couple of years, two-thirds of unit sales will be those of quality name brand tape. By the middle of the '80s, cheap no name cassettes will have almost disappeared from

the market."

On the blank videotape side, perhaps the most notable trend is the sporadic shortage of tape. Manufacturers continue to gear up production, but have a tough time meeting demand. This is true, of course, because of the unexpected rapid growth of hardware sales. Just about everyone admits that they didn't expect VCR sales to do as well in 1980 as they did and are quick to add that any projection they might make for '81 is pure guesswork.

Another problem is trying to project the requirements of duplicators who need increasingly large quantities of tape to keep up with the prerecorded videocassette market.

## Sees 35-40% market growth

Still, Kohda ventures that TDK's sales will jump 40% to 50% this year over '80, while the market will grow by 35-40%, regardless of the economy.

Ed Pessara, TDK's national sales manager for video products, estimated the U.S. prerecorded video market at five million units in '81.

Another factor is the fairly rapid growth of portable VCR sales and cameras.

Don Patrican, national sales manager for Consumer Video Products at Maxell, said this growth is having a "tremendous impact" on the blank videocassette market because of the "home movies" activity; more people are buying portable systems and saving what they themselves have taped.

"There's definitely a shortage of videotape," Patrican said, "but we're gearing up to attempt to meet the demand."

He cited three primary reasons for the shortage: (1) Videotape is an intricate product to make, requiring more time and patience than the audio product; (2) just about everyone got caught by the amount of hardware sold. "Most saw 600,000 to 650,000 units for 1980 and it's going to be closer to 850,000; (3) it was estimated that most people would buy four to six blank videotapes per machine per year in 1980, but "there's no question that it's actually twice that," Patrican added.

## Most tape is extended play

At the moment, he said that 85-90% of the tape sold is of the higher quality, extended play variety. "It becomes worthwhile when you can get three movies on a single tape that only cost you \$20."

Don Rushin, manager of 3M's recently-formed Home Entertainment Product Dept., said he anticipates the portable VCR user using more shorter tape lengths, "so we'll have to satisfy that person as the market for portables grows. We believe that most deck users will go with the longer tapes to get as much off-the-air programming on them as they can for as few dollars as possible."

RKO Tape will show its first blank videotape products at CES this month in 250, 500 and 750 foot lengths. It's made for RKO by DuPont.

"We'll start with the Beta format, but will also have VHS within a few months," said Hugh Wallace, vice president and general manager at RKO.

Wallace said he's aware of shortages and believes this will help speed RKO's growth in this market.

At Sony Industries, national sales manager Don Unger said videocassettes were backordered, but that

this was temporary. "We haven't experienced any major shortages."

## Sony sets records

He said that Sony's videotape sales set records in 1980 and that he's planning strong promotional programs for both video and audio with "new discounts and even premiums to get a further leg up on the market."

Sony also expects to offer VHS cassettes, but Unger said he couldn't be sure when that will occur.

Fuji Photo Film USA's Magnetic Tape Division is also experiencing shortages of videocassettes, according to John Dale, vice president and general manager. "The duplicators can't be the shortage problem because we get a specific allocation for them and that hasn't changed. We increased our production over the past six months and we're still coming up short. Some of our dealers have doubled their orders to meet their needs, but we've had to tell them we just can't do it. The market has grown too quickly."

According to TDK, total branded videocassette sales in 1980 exceeded 17 million units. TDK projects a 40% increase in video sales in '81 while maintaining that the industry will grow by 35%.

On the audio front, it's generally business as usual—growing sales helped along by healthy portable tape and car stereo product movement. What might make this year interesting is some possible heavy activity in metal particle tape.

3M, in particular, which first introduced metal tape about two years ago as a consumer product, plans to step up its promotion of this formulation.

## 'Educate the consumer'

"Some of us in the tape business haven't made any attempt to educate the consumer on metal," said 3M's Rushin. "We've played sort of a dirty trick on the hardware guys who committed very early to metal tape capability and then couldn't get enough tape to take advantage of the surge in promotion. We didn't meet the demand," which Rushin insists was there initially.

Since then, he admits, "the bloom has sort of gone off the product."

3M's plans now are to begin immediately to promote metal tape aggressively, said Rushin, "to tell the consumer why he should use metal tape."

Fuji, meanwhile, continues to be high on metal. "We're having a very good reaction in the marketplace," said Dale. "We're going after that market."

Peter Cain, market development manager for consumer tape products, Ampex, said his company "never had great success making the metal product. We only have the C-60s and we could never make enough to satisfy our dealers. They're not exactly ripping down the doors to get it, but we should be able to supply their needs so they don't have to go to another supplier. Still, I don't think the (metal tape) business is as promising as it should have been. It's not that big a deal right now."

BASF, which plans to show a few new products at the CES, is going after two market segments with some success, according to Mark Dellafra, director of marketing, prerecorded audio and personal computers.

Dellafra views BASF as a "major factor" in the prerecorded area and

hopes to expand this activity through a test marketing arrangement with Mobile Fidelity Sound Labs. He said several personal computer makers have chosen BASF tape as the recommended media for their software.

Loranger Manufacturing, Warren, PA-based firm which loads audio cassettes and provides duplication services for other tape suppliers, plans to introduce its own branded audio cassettes sometime this year, although Robert Loranger, president, said he's not sure of the timing at this point.

Asked about the possibility of a Loranger-brand blank videocassette, he said "Everything is under consideration."



## Audio/Video Accessories

## Product proliferation aids market growth and retail distribution

In terms of sheer growth rates and product proliferation, the audio and video accessories markets are in very good shape right now. And that's expected to continue for the foreseeable future, helped along by new hardware and software developments and a rapidly growing level of consumer awareness.

One company, in particular, gives a pretty good example of what has been happening in the market. Video Specialties, a division of Bausch Electronics, had two distributors and 25 dealers at the end of 1979. It now has 25 distributors and 950 dealers nationally.

Most of that growth has come from plastic VCR dust covers, storage racks and VCR head cleaning kits. But the company will show up at the Consumer Electronics Show this month with several new items, including a lid for the late-model VCRs with the squared-off fronts, such as the RCA 6500, and a new set of stackable storage racks designed for any type of audio or videotape.

## Videodisc is next

"The next thing we're going to be looking at," said Dave Bauer, national sales manager, "is the video-

## "The next thing we're going to be looking at is the videodisc..."

disc player. We're taking some of our designers to the show just to take a good look at the disc systems to get some ideas for new products. We think we can be in this market by March."

Audio and videotape producers are also well along in the development of accessory products.

TDK, for one, is introducing a Beta format video head cleaner at the CES. Ed Pessara, national video product manager, said that in light of the increasing number of video consumers opting for the long play modes on their Beta VCRs, clean deck heads are more critical than ever before. "Any imperfection on the video head will be much more noticeable as a defect in

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Maxell, Booth #501, Consumer Elect

MERCHANDISING

## Overviews

picture quality at these slow speeds," he added.

Maxell has also broadened its line to include a new head demagnetization cassette, a hand-held tape head demagnetizer, and new VHS and Beta head cleaning cassettes.

Don Patrican, national sales manager for Maxell's consumer video products, said he believes the new video accessories will be "big sellers" because people will want to protect their sizable investments in video hardware.

Sony Industries also plans a new cleaning kit for CES introduction.

Ampex will show its Shape Cassettebox, designed for easy access and under-dash, console or glove box storage.

Horian Engineering plans its largest product introduction ever this

month: five new product lines, including a series of lightweight headphones, a degaussing system for both VHS and Beta formats, and record and tape care accessories.

Stereomote, which makes remote control equipment for audio and video applications, has stepped up production, according to Doug Chatburn, director of sales and marketing. "The dealer demand for remote control in the past six months has been awesome and to the advantage of all those involved in its manufacture. Concurrently," he said, "manufacturers are producing more remote control-compatible turntables, tuners, tape decks and VCRs."

Chatburn said Stereomote is moving to larger facilities in the New York area immediately following the CES,

adding that a second generation remote module is being tooled for introduction later this year.

Starting to mushroom as a market

Sy Goldberg, national sales manager for RMS Electronics, said his company's video accessories business is "way ahead of last year. It's really starting to mushroom as a market."

RMS's video catalog has been expanded from 18 to 50 pages of products, including video adapters, camera cables, "pro" VCR microphones, connectors for cameras.

At the same time, Goldberg said RMS is putting on new dealers and adding new rack jobber programs. "We expect to increase our market share with some of these new products and with the help of growing consumer awareness," he said. "Of

course, we're increasing our advertising budget quite a bit, too."

Nortronics, with a full line of audio and video hardware and software care products, is moving into the broadcast market with bulk erasers and head cleaners, according to Ken Lubitz, national sales manager.

Mura Corp., which markets headsets, microphones and cassette-to-8-track adapters, is currently devoting about 7% of its revenue to research and development, said Mort David, chairman. "The dividends will definitely be there," he believes.

David said the development of one-of-a-kind products is responsible for his company's growth. "It just calls for a firmer commitment to R&D."

Although the audio side is heating up somewhat with a boost by the tape manufacturers, most of the growth over the next several months is expected in video accessories.

"The next thing we're going to be looking at is the videodisc," David said.



## Electronic games surge slowed by wary buying of retailers and public

The second half of 1980 saw more selective electronic game buying by both retailers and consumers. That trend is expected to continue in 1981, according to game manufacturers.

"We expect much more honing down in terms of retailers' choices of suppliers and also the number of items they'll carry in each category," said Mike Katz, Coleco Industries' director of marketing.

"They are looking for product and promotional support," he continued. "Brand names are becoming more important."

Another reason for retailer caution has been a "glut" of first-generation sports games, according to Katz and other suppliers.

"The consumer thirst for electronic products is getting bigger, but consumers want more sophisticated electronics," commented Richard Hoag, vice president of sales for Mattel Electronics. He estimated that industry sales grew 20% in 1980, or about 10% in terms of real growth.

"The consumer is really shopping the marketplace," stated George

## "Consumers want more sophisticated games."

Volanakis, Milton Bradley game division manager. The company has largely stayed away from hand-held sports games because of "over-proliferation" in the marketplace, he added.

Heavy advertising support planned

Several manufacturers admitted that first-generation games are being "low-balled" in price at retail, but denied that their own prices would decrease in 1981. Instead, these suppliers mostly predicted that heavy advertising support and new, more sophisticated electronics would keep retailers satisfied in '81.

"The future is in sophisticated strategy games," said Hoag of Mattel. The company is showing a "new generation" of tabletop sports and strategy games that retail at about \$100 at the Consumer Electronics Show.

"Sports games as we know them will be reduced in price by retailers," he predicted. Mattel is not lowering prices on carried over items, he added. It enjoyed good success with Football II this year, Hoag pointed out.

Mattel's 20 sku's will increase to 25 in 1981, with 25% of distribution other than toy stores. The advertising budget was tripled last year, and will be much larger this year, he said.

"First-generation games are finished," stated Bill Pascoe, vice president, marketing, at Tiger Electronic Toys. "Kids have accustomed themselves to more sophistication and play value so there will certainly be some price reductions and closeouts on the part of retailers and manufacturers." So far, Tiger Toys prices have been stable, and the company recorded a 17% dollar sales increase in 1980, he said.

Speech synthesis a factor

In 1981, Tiger Toys will become involved with speech synthesis, adding to the cost of some games, Pascoe said. It will increase advertising and "hit" network television, he added.

Coleco also will increase its advertising, "in support of our new product, as well as strong support for everything else," said Katz. The company projected shipments would total about \$100 million in 1980, compared to \$70 million in '79.

"One-player pass-along sports games are being low-balled in price. People are interested in two player games with more features and control," according to Katz.

In 1981, Coleco plans to introduce up to three new games, one each in the sports and play-and-learn categories, and a new type of game.

Milton Bradley recently introduced its tenth electronic game. The firm has experienced sales growth of about 50% a year since it began selling "Simon" in 1977, division manager Volanakis said.

Sales mostly have been through mass merchandisers. A trend into "electronic boutique specialty shops...and (those) in the record and stereo business," which started last year, is continuing, he said.

Ages range from 8 to 80

He also noted that now, for such games, "the age range is limitless. It's 8 to 80 now," he said, with the fastest growing segment being 25 and older.

No price decreases are expected this year, despite lower chip costs. Plastics and overhead are up, Volanakis pointed out, and the firm "had to overspend on advertising in 1980 because of the economy." The same level will be maintained this year, he said.

Mego Corp. will compete by stressing "brain-teaser" type games. "There is more growth in our area down the line," asserted marketing manager Neil Werde. The company has "a number" of new products for CES, including improved voice synthesis—"an increasing factor in electronic games."

That technology also has been improved in some units from Fidelity

Electronics, according to advertising. Occasional new board-type \$85 to \$370, are Winter CES, he said. Sales doubled late '70s, but the record "controls" There will be "advertising and Fidelity has air since 1979, Siegel. "Because of t

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The retailer competition, R outsell all comp

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## CLEARCHANNEL

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The CC-400 is the top of Harada's new Clearchannel line of UHF/VHF/FM antennas. The CC-300 is solid-state amplified to pull in weak signals. The CC-200, like the CC-300, carries two VHF dipoles, a UHF loop and a UHF/VHF control knob. And, of course, every Clearchannel antenna delivers superb TV or FM reception.

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## calculators

**Scientific calculators, printer/display models key to '81 sales growth**

With about nine of 10 homes possessing at least one calculator, retailers find that increased printer/display and scientific sales help prevent market saturation. While the bulk of unit volume re-

"The future is in sophisticated strategy games," said Hoag of Mattel. The company is showing a "new generation" of tabletop sports and strategy games that retail at about \$100 at the Consumer Electronics Show.

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Electronics, according to director of advertising Oscar Siegal. Up to seven new board-type games, priced from \$85 to \$370, are being shown at the Winter CES, he said.

Sales doubled every year during the late '70s, but the company expects to record "controlled growth" for 1980. There will be "some increase" in advertising and promotion in 1981. Fidelity has aired tv commercials since 1979, Siegal said.

"Because of the recession, elec-

tronic games were more of a seasonal purchase last year," summed up Volanakis of Milton Bradley. "Consumers stayed with domestic producers rather than those from offshore," he added.

While not wishing to comment on marketing trends, a spokesperson for Parker Brothers said that chip shortages did not materialize last year. None are anticipated in the near future, she continued. Other manufacturers also discounted this threat. ●

## Electronic game activity slows; retailers & public more cautious

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## Phones/ Phone Answerers

### Slow but steady phone growth as answerers record bigger gains

Despite the recession, telephone sales continued their slow but steady growth in 1980, with sales increasing about 10% to 2.2 million units.

Moreover, the product innovation, increased advertising and better

consumer acceptance that fueled last year's sales will carry over into heftier growth this year, suppliers added.

Sales advances could be checked somewhat, however, by increased Bell System competition—it's been selling "complete" phones since November. But the publicity created by local companies that are stating leasing charges on monthly bills in advance of the March, 1982, deadline is expected to further help sales.

The growth rate for telephone answerers has been higher, at least 15% in units.

#### Increased electronic phone sales

Telephone manufacturers predict that the popular one-piece electronic phones will enjoy increased sales again in '81.

One reason is advertising. For instance, "We're making a major commitment to the Ultra 80," said Lou Gervolino, ITT Personal Communications director of marketing. The \$64.95 phone is the object of a newspaper and tv campaign that began in December.

Overall, sales will increase another 25%, to 2.7 million next year, he projected. "We're very pleased with the market. It's not like CBs, which went up fast then dropped off rapidly. It's a slower pace but more solid."

Another reason is new product. Competitor GTE Subscriber Equipment Group is convinced its new Solitaire II phone, being shipped this month, soon will surpass the very successful Flip phone in sales. The main reason is its low \$35 price, said

general manager Jon Witt.

As sales climb, the telephone industry is beginning to see the start of an influx of Far Eastern suppliers, he added.

#### Consumer awareness grows

Until recently, lack of consumer awareness of the "legitimacy" of buying a phone hurt sales, according to some manufacturers. The new Federal regulations are helping to change that picture. Now, "many consumers are aware of the product and know buying their own phone is a much better deal," said Monroe Schuler, Leisurecraft Products executive vice president. "Like lamps, you decorate with them and take them with you when you move."

The ZIP phone continues to be very successful, he said, while the company also has seen its new cordless phone take off since its introduction a few months ago.

Teleconcepts did well with a \$49.95 electronic phone it introduced at June CES. "Sales definitely will increase with new features in '81," said president Bob Winkler.

"Cordless is growing with us," he said. "At \$200, the item is good," but

**"The store that markets a popularly priced electronic phone will do well with it."**

Teleconcepts is looking for bigger sales with a \$129 unit currently debuting.

While Cobra Communications cordless phones' \$239 suggested list remains the same, general marketing manager Dennis Burke foresees more retailer promotions at \$199. Industry-wide, sales have reached 250,000 units a year, he said. He credited increased availability and advertising for the sharp increase since 1979.

Remotes primarily are a spring and summer seller, pointed out Edwin Weisl Jr., Mura Corp. vice president of sales. However, they appeal to businessmen as well as suburbanites, both of whom feel they need and can afford it, he added. The new MP600 phone has a range of 700 feet and costs \$220. Another dial-out version sells for \$150, an answer-only phone costs \$89.95.

#### Consumers look for features

In decorator phones, Northern Telecom is among the companies forecasting substantial growth this year. Although standard rotary phones have been the most popular because of their \$30-\$50 price, "features will be the big thing that consumers will look for in the next short while," commented director of marketing Gerry Skene.

"We're just coming out of an economic slump," he said. "Sales will pick up further if the economy picks up. A lot will depend on promotion, styling and features."

The Bell System does not sell high-technology pieces, pointed out Universal Security Instruments' director of sales Bert Mazzacca. Increased consumer knowledge is another reason why Universal Security has had sharply increased sales with its fully featured telephones priced at \$199 to \$300, he said. A \$149 model is regarded as closer to evolving mass-market price points of around \$100, however.

Mazzacca predicted a chip shortage in about one-and-a-half years that

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MERCHANDISING

# ACTIVISION PRESENTS GAMES THAT ARE A CHALLENGE TO PLAY, BUT EASY TO SELL.



These days, the more challenging a video game is to play, the easier it is to sell.

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**NOW ON CENTER COURT. TENNIS** BY ACTIVISION™ Here's totally unique and incredibly real video tennis. It offers everything from lightning-quick serves to breathtaking backhand cross court returns. Charging players can rush the net or lay back and play the baseline. It's loads of fun for all game enthusiasts.

**INTRODUCING LASER BLAST™** SIMPLY UNBELIEVABLE. As Commander of a fleet of spacecraft, you come upon some very unfriendly alien types. Just get them before they get you. But remember, the bad guys don't miss very often. Brilliant colors and startling sound effects put Laser Blast™ light years ahead of any other space video game.

Stop by Booth 5800 during the Las Vegas Consumer Electronics Show. Meet the Activision design team of Larry Kaplan, David Crane, Bob Whitehead, and Alan Miller. See our complete catalog of video game cartridges and also enjoy a sneak preview of what's next from the world's leading designers of video games. Plan on having fun!

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Activision, 759 E. Evelyn Ave., Sunnyvale CA 94086 (408) 245-5421  
or toll free (800) 538-1630/31 (outside of California).



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preview of what's next from the world's leading designers of video games. Plan on having fun!

Universal Security Instruments' director of sales Bert Mazzacca. Increased consumer knowledge is another reason why Universal Security has had sharply increased sales with its fully featured telephones priced at \$199 to \$300, he said. A \$149 model is regarded as closer to evolving mass-market price points of around \$100, however.

Mazzacca predicted a chip shortage in about one-and-a-half years that

MERCHANDISING

## Overviews

would result in long lead times and shortages of many electronic products. "Every time a new category takes off, chips are in short demand for everybody. Security and telephones will take off at the same time," he predicted.

Aside from some fears of component shortages, manufacturers look toward 1981 with renewed optimism. "The store that markets a popularly priced electronic phone will do well with it," commented Winkler of Teleconcepts. There are about 160 million private phones now in use, he said. If that figure increased by 10%, it would represent 16 million units, he pointed out.

Awareness also helps answerers

Telephone answerer sales also will

benefit from increasing consumer awareness.

Last year's sales of about 550,000 units will jump to around 700,000 in 1981, predicted Phone-Mate vice president Larry Kloman.

Phone-Mate has increased its ad budget to include a sweepstakes with retailer tie-ins. Many units are used for business purposes, Kloman said, and remote units sell best. A \$199 remote is being shown at CES; the line starts at \$99.

Code-A-Phone this year will continue to place four-color ads in major national magazines. The program began last August, and aims at convincing the public there is a need for an answering/recording device, besides selling the Code-A-Phone brand.

"Telephone answerers have achieved about 2% penetration," said advertising manager Bill Owen. "This is an infant industry."

Predicts steady growth in 1980's

"The answering devices are here to stay," commented Martin Schatz, Record-A-Call vice president. "It's a very salable product because more people are aware of its existence, and the fact that it works for you 24 hours a day. Business will increase 10%-20% a year for at least 10 more years," he predicted.

The high-end 80A remote model, at \$299.95, is the most popular. Next is the 60A leader unit at \$149.94, Schatz said.

Quasar Microsystems is introducing a \$99 remote at CES. Ultimately,

most industry volume will be in low-priced units, executive vice president John Cotoggio predicted.

"Phone company surveys project that at \$150 average retail, the market per year is \$60 million," he said. "At \$75, the retail market is \$112 million. At \$50 there is \$1.5 billion market potential per year."

As the market expands, more companies enter the field. The 102-year-old Dictograph Mfg. Corp. of Canada will bring out an answering machine in the fall, at a "low price," marketing manager Martin Gold disclosed.



## Personal Computers

### Producers see mass market in this decade as interest develops

By the latter part of this decade, home computers will have become a mass market item.

At least, that is what producers are hoping.

As the personal computer enters 1981, marketing, price and software remain in a state of flux. For now, most manufacturers are putting their energies into pursuing the rapidly expanding small business market.

But lately they also have been introducing new, lower-cost computers and expanding software capabilities while seeking early success in the growing home market.

"I think the TRS-80 Color Computer is priced where it makes sense for the consumer," said Radio Shack's director of computer merchandising Ed Juge. The unit is priced as low as \$399. A soon-to-be available telephone modem (a device for translating digital data to analog for transmission over telephone lines) "will make a big difference in how people perceive the value of the home computer," he continued.

Most RS computers are sold to small businesses, and sometimes are leased. This market will grow "tremendously" in the next five years, Juge said. As the benefits of owning a small computer become better known, "they will become like a typewriter to just about every small business," he predicted.

Competitor Commodore Business Machines will introduce its \$299 Vic 20 at the Winter CES. The fully featured color computer, aimed at the home market, expands the line, which previously included the small business CBM series and the Pet computer, largely aimed at students.

"Will be as popular as typewriters"

"In the near future, computers will be as popular and numerous as typewriters," Computer Systems division marketing director Michael Tomcheck predicted. "Vic is a bridge between hobbyist and consumer, and will be promoted through selected consumer publications."

Commodore has an "entirely new" line of software for 1981. In addition, it has terminated private distributors and set up seven regional distribution centers and promises "active, close support to dealers."

Because Apple Computer stock was about to go public at press time,

MERCHANDISING

**THE ROLLER PHONE™**  
**SPORTABLE**  
**PORTABLES**

**RP2000 FM/AM**  
Mono Head Phone  
radio complete with  
fully padded  
headband.

**RP2001 FM/AM**  
STEREO multiplex  
Head Phone radio  
complete with fully  
padded headband.

**NEW RP2020**  
ROLLERPHONE'S  
second generation  
FM/AM Mono Head  
Phone radio featur-  
ing MYLARCRON  
SPEAKERS with  
increased sensitivity.

**NEW RP2002**  
ROLLERPHONE'S  
second generation  
FM/AM STEREO  
MULTIPLEX Head  
Phone radio featur-  
ing MYLARCRON  
SPEAKERS with  
increased sensitivity,  
lighter weight and a  
DYNAMIC STEREO  
SOUND.

**Lightweight  
headphones  
that stay  
put.**

**ROLLER PHONE™**

Look for ROLLERPHONE at the  
CONSUMER ELECTRONICS SHOW  
In January in Las Vegas,  
Booth #4104, Hilton Hotel.

ROLLERPHONE, 2106 South Olive St., Los Angeles, California 90007 213-746-4740

Telex No. 194318 MONACO LSA

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A division of Midtown Mobasser, Inc.

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# ROLLER PHONE™

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Telex No. 194318 MONACO LSA  
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Look for ROLLERPHONE at the  
CONSUMER ELECTRONICS SHOW  
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to your suspenders. It's your  
choice. Don't let its size fool  
you, the RP81 produces concert  
hall sound while you're on the  
move. It's the ULTIMATE  
SPORTABLE PORTABLE.

"Will be as popular as typewriters"  
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be as popular and numerous as typewriters." Computer Systems division  
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check predicted. "Vic is a bridge  
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"active, close support to dealers."  
Because Apple Computer stock  
was about to go public at press time,

weights less than two pounds  
With the FM tun-  
different music all the time  
are listening to cassettes, ti-  
phistication to play metal.  
Remember: ever-  
can play Saturday Night Fe-  
give you Sunday mornings

Come see the full spectrum of Toshiba

MERCHANDISING

## Overviews

the company was prohibited by FTC  
regulations from commenting on it-  
self or its perception of the industry.

In November, it had announced  
plans to extend the amount and  
terms of dealers' credit, and for the  
first time to lease its computers.

"Many computer users would pre-  
fer leasing to buying for practical  
business reasons," Gene Carter,  
Apple vice president-sales, com-  
mented. "Leasing has substantial  
tax benefits, in some cases, and  
enables users to conserve capital."

Seeking to reposition its computers  
to no longer being regarded as a  
"downscale Apple," but rather an  
"upscale member of the Texas In-  
struments family," TI now stresses  
the home market. It sees its main  
target as the 20 million homes with

one or more children, said consumer  
products group marketing manager  
Bill Turner.

Appropriate software called essential

Unlike the hobbyist market, "It's  
not the computer that sells the prod-  
uct, it's the application," he said.  
"If you don't have the software, you  
aren't in the home market." The  
four main areas, Turner pointed out,  
include education, personal develop-  
ment, home finances and enter-  
tainment.

In recent moves, TI announced an  
agreement with Source Telecomput-  
ing Corp. to form the "Texnet" sub-  
scription service, available over  
telephone lines. In addition, more  
than 150 "Basic" software programs  
have been converted into TI Basic.

Two new music enrichment programs  
also have been announced.

The TI 99/4 recently was reduced  
in price from \$950 to \$650. Vendors,  
including more department and  
electronic specialty stores, are being  
taught demonstration techniques.  
Substantial radio and tv ad cam-  
paigns are planned, Turner said.

Atari's new ad agency has launched  
a major print and tv campaign for  
1981. Regarding home use, "We are  
addressing ourselves to functional  
believable, plain English programs,"  
president Raymond Kassar said. The  
telephone modem will be important to  
the large segment that does not want  
to program, and "by the end of the  
decade personal computers will be as  
commonplace as toasters."

Meanwhile, Atari will introduce a

major financial package for small  
business in March. Sales of \$30 mil-  
lion in 1976 have increased to \$400  
million, Kassar said.

While there now is a concentration  
of Atari retail outlets in computer  
stores, "in the next five years other  
retailers will recognize the need for  
special marketing techniques and  
sales personnel. A shop within a shop  
is one idea," Kassar said.

How to address the mass market

On the other hand, "The problem  
of a general retail store is that 85%  
of the people shopping it couldn't  
care less," said Nigel Searle, execu-  
tive vice president of Sinclair Re-  
search Ltd. "The consumer market  
will only be opened up when the right  
price is combined with the right soft-  
ware."

"Using a computer as access to a  
larger computer system will be a part  
of it. In-house education is important,  
too," Sinclair is making many soft-  
ware introductions at CES, Searle  
said.

At Ohio Scientific, the perceived  
need for self-functioning computers  
for the home has led to extensive  
R&D in voice activation. "For  
personal computers to become as  
common as tv, we really must have  
extremely simple software," mar-  
keting and advertising manager Bill  
Koppelman said.

The stock of Ohio Scientific re-  
cently was acquired by M/A-COM,  
Inc., a supplier of equipment for  
satellite and data communications. It  
will operate as a separate M/A-COM  
company under its same manage-  
ment.

Ohio Scientific recently signed  
an agreement with Montgomery  
Ward for the retailing of its small  
computers. In addition, it has signed  
an accord with Control Data Corp.  
for the retailing of its computers  
through CDC's newly formed busi-  
ness service centers.

Use in schools termed a factor

"We haven't even scratched the  
surface in this business," commented  
Sy Lipper, APF president. "The  
telephone modem opens up a wide  
area," he agreed, for instance among  
college students accessing a school's  
central data system. Many high  
school students now are taking com-  
puter courses, Lipper also pointed  
out.

The IM1 and IM2 computers,  
priced at around \$600 and \$1,000,  
are making inroads among consumer  
electronics dealers, who are "getting  
their feet wet." Lipper predicted the  
industry will achieve a 50% pene-  
tration of homes by the end of the  
decade.

For now, Intelligent Systems  
Corp. aims its Compucolor II com-  
puter, typically costing about \$1,500,  
at the business market. Within three  
years, 20% of middle managers and  
technical professionals will work with  
computers in their offices, president  
Peter Curnin predicted.

These are the people who, through  
their growing use of computers, will  
open up the home market, he said.

Within the past few months, hand-  
held computer terminals were intro-  
duced by Radio Shack at about \$250,  
and Panasonic at roughly \$400.  
Quasar Co. will introduce a unit in  
late spring priced around \$600, mar-  
keting manager for information pro-  
cessing systems Phil Callihan said.

The telephone modem will be one  
of the best-selling peripherals, he  
predicted, and will allow profes-  
sionals to "break away from the  
office."

MERCHANDISING

## FUZZBUSTER

Fuzzbuster Elite

A solid, dependable un-  
performs any other rad-  
category. Picks up all b-  
types of radar. Housed  
black case with chrome  
looks so distinguished:  
"The Chairman of the C"

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## TDK introduces a new tape formula.

It's the success formula for the 80's: Rapid Turnover. TDK tape is pre-sold, so it's no surprise to  
find it moving off your shelves at a rate of up to eleven times per year.

Rapid turnover is the most important addition to your obsolete formula where you only counted  
unit price, margins, sales promotions and advertising support.

Beginning with the audiophile Reference Series and moving through the superb Premium  
Series, TDK leaves no sales opportunity unturned. From metal to high to normal bias cassettes.  
In open reel and in over 100 quality audio and video products and accessories, TDK's leadership  
comes through for you.

There is no easy formula for success. You need an  
outstanding tape company to help make it work for you.  
TDK proves its case every day in your store. And every-  
month in your profitable bottom line.

For more information about TDK's maximum dollars  
formula visit us at booth 803.

**TDK**  
TDK LEADS THE WAY

\* (Unit Price + Margin + Promotion + Advertising) x Turnover (11) = (Maximum Dollars)

© Copyright 1981 TDK Electronics Corp., Garden City, N.Y. 11530



## Lightweight stereo cassette player, clock & portable radios are from GE

SYRACUSE, NY—General Electric has introduced Stereo Escape, a \$129.95 lightweight stereo cassette player with stereo headphones.

It also debuts eight clock and portable radio models.

Stereo Escape consists of a cassette player, which can clip to a belt or tuck away in a purse, and lightweight Ferrite headphones. It offers separate left and right side volume controls, one-button muting and a high-low tone control switch. The cassette player can be operated in either the vertical or horizontal position to enhance ease of operation.

A new "Space Saver" digital clock radio, model 7-4825, has a \$38.95 suggested retail. Features include wake-to-music or music with delayed alarm, a sleep switch, Snooz Alarm and brightness control.

In the area of programmable clock radios, two new debuts are the top-of-line 7-4885 and the promotion-priced 7-4800.

Besides the features offered on model 7-4880, replacement 7-4885 features blue fluorescent time display, separate alarm set indicators for Alarm 1 and Alarm 2, and continuous tone control. Suggested retail is \$133.95.

## Six sports games introduced by Mattel

HAWTHORNE, CA—Mattel Electronics expands its presence in handheld electronic sports games with six new models.

The Look Alive line (including baseball, basketball and football) is targeted to younger consumers, who test their skill from the "eye-view" of the ball carrier or batter.

World Championship Football and World Championship Baseball represent Mattel Electronics' "state-of-the-art" technology. They offer a new vacuum fluorescent display using home/visitor colors and shape-recognizable players for instant comprehension of the field positions.

Mattel Electronics' Bowling game introduces a mechanical play feature which allows the user to stimulate the movement of the ball by manually rotating the unit.

In the strategy game category, it introduces Computer Backgammon and Computer Chess. Both offer the option of playing against either the "thinking" computer or an opponent.

Also new, the Invisible Alien Neutralizer, or I.A.N., is designed to detect and neutralize invisible aliens invading the earth.

Mattel Electronics, 5150 Rosecrans Ave., M. Hawthorne, CA 90250.



Look Alive Football

Model 7-4800 provides direct entry of time of day, alarm times, sleep and Snooz Alarm functions with easy-to-use top-mounted pushbuttons. Suggested retail value is \$79.95.

GE also introduces model 7-2940, a portable radio featuring AM/FM as well as VHF-TV sound and a weather band, at \$49.95.

Also new for 1981 is a miniature AM/FM radio, model 7-2001 with "better" sound and "improved" tuner sensitivity.

In the AM/FM personal-sized portable segment, model 7-2650

offers two-way power, automatic AC/DC switching slide rule dial and new styling. Suggested retail value is \$25.95.

The Silver Signature Collection series of tape recorders has been doubled in size.

Now at the top of the line is model 3-5286. The AM/FM stereo radio cassette recorder features a two-way speaker system with dual 5-in. woofers and 2-in. tweeters, Dolby noise reduction and metal tape capability. Suggested retail is \$289.95.

Next in the line is the twin-speaker model 3-5285, which features twin 4-in. speakers, a three-way LED function meter. Suggested value is \$159.95.



GE Stereo Escape

The third new addition offers "big" monaural sound. Suggested retail is \$129.95.

Audio Products Division, General Electric Co., M. Syracuse, NY 13211.



## Petrous Brings a New Dimension To Sound

In the 70's, there was Dolby; in the 80's, there's Dynamic Compliance™

Petrous brings you the most exciting concept in sound since Dolby. The Dynamic Compliance™ automatic all-band equalization system can make any speaker sound professional. It improves the quality of the sound and delivers an accoustic output second to none.

### A TRIPLE SALES THREAT

Petrous gives you three ways to merchandise Dynamic Compliance.

- TV Sound System—With a suggested retail of less than \$100, you can turn your customer's television audio into true theater-quality sound.
- FES Amplifier Booster—Attach this to any existing stereo system and you will be amazed at the difference. The 50 watt RMS per channel booster amplifier with Dynamic Compliance makes \$100 bookshelf speakers suddenly sound like high-end studio monitors. It's the simple low cost way for a customer to upgrade a sound system in a tight economy.

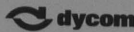
- Home Entertainment Center—Here is the ultimate in a home entertainment system featuring Dynamic Compliance. This new sound system of true separates is the first of a whole new generation of high-end audio equipment at sensible price points. Included are separate pre-amplifier, digital synthesized tuner, basic amplifier with Dynamic Compliance, metal soft-touch cassette deck and semi-automatic turntable with high quality magnetic cartridge.

### MOVE INTO THE 80's WITH PETROUS

Petrous can help your home entertainment sales soar in the 80's. These new home entertainment products that Petrous introduces today are what your customers will be asking for in the 80's because Petrous is the leading edge of new electronic technology. See us at the Consumer Electronics Show. Or, contact Mr. Gary W. Beckstrom, Vice President, Marketing, Petrous Electronics Corporation.



**PETROUS ELECTRONICS CORPORATION**  
The leading edge in electronics



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(213) 774-3000

See us at WCES Booth #425. Visit our Hospitality Suite at Imperial Palace Hotel.

TM Trademark of Dynamic Compliance Corp.

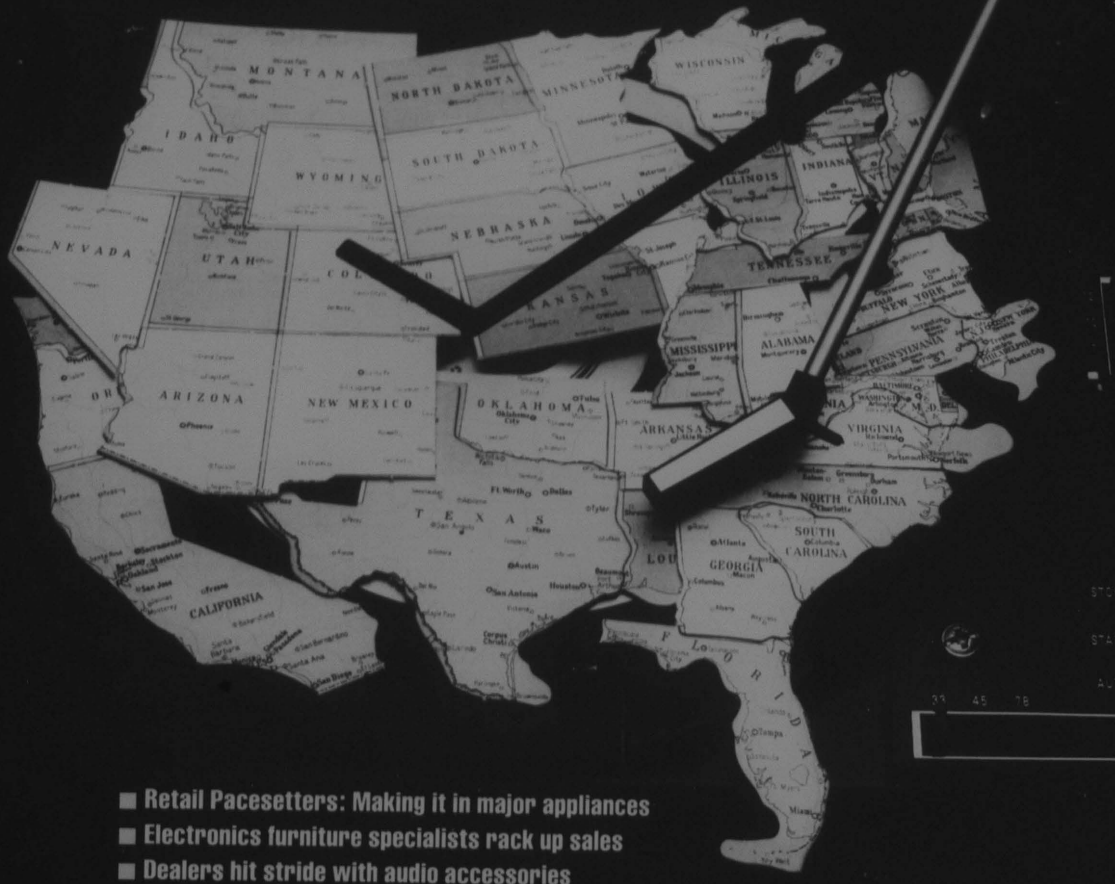
A GORDIA PUBLICATION

# Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

5th National Retail Hifi Breakout

## Dealers diversify as volume dips in '80



- Retail Pacesetters: Making it in major appliances
- Electronics furniture specialists rack up sales
- Dealers hit stride with audio accessories

to advertise their warranties. In addition, the staff is concerned about making sure that such advertisements are not deceptive.

#### Warranty advertising may go up

"I expect that warranty advertising will go way up in this period when more and more sales effort is concerned with service," predicted Rachel Miller, program advisor for warranties at the FTC.

She pointed out that in many instances microwave ovens, dishwashers, trash compactors, freezers

Continued on page 70

MERCHANDISING

system to the HID metal halide system. It offers a \$22,500 energy savings per store annually, reducing energy costs by about 35%, according to Howard Oldenburg, manager of energy programs.

Because of the high capital investment involved, stores with fluorescent lights will not be converted to the HID metal halide lamp, he added.

The metal halide lamp was given a test run at a Fairfax, VA, J.C. Penney store which opened last summer. The two-level department store features televisions, stereos, refrigerators, air conditioners, washers and dryers.

FEBRUARY, 1981

on women or senior citizens, for example—a store image overhaul may be needed first.

This suggestion comes from Richard Schram, now a consultant but former vice president of the 103-unit Pacific Stereo chain based in Emeryville CA. Schram was a keynote speaker at last month's retail advertising and promotion workshop held during the Consumer Electronics Show. His topic: "Expand Your Customer Base Through Integrated Promotional Programs."

"We are often so close to our stores that we fall over the real problems inhibiting our growth," Schram told

created through offering genuine sale values to shoppers.

#### 'Care Kits' introduced

"We decided just running ads wouldn't do the trick," Schram continued. "We had to back the image of the ads, by conveying an attitude to customers that we wanted to help."

Part of the new campaign, which was in high gear by mid-1980, was development of a record care kit and two tape care kits.

"These kits were designed as giveaways if the customer took our service contract," said Schram. Contract cost ranged from \$15 to

57

## CES COVERAGE

### TV makers optimistic about videodisc; hifi manufacturers enter field slowly

give-and-take at that time:

Q. Was there any psychological resistance from Pacific Stereo's salesforce?

A. There was some of that. They saw their roles being threatened. They wanted to be the sole purveyors of knowledge to the customer.

But the changes were accepted because we took time to explain to our salespeople why the new program was needed, what challenges we had to meet.

Q. Did sales personnel have to change their dress standards?

A. Definitely yes! The word went out: No more sporty attire. It may have been attractive to a peer group, but not convincing for older customers.

Q. What help did manufacturers provide?

A. Among other things, we got their support in supplying materials at attractive prices for our care kits. Of course, manufacturers recognized that their products would receive good exposure through the kits.

Q. In line with the objective of making the store an educational vehicle itself, where do A-V presentations fit in?

A. I am interested in these, but I think they are still in the dream stage. Q. Were changes also made in Pacific Stereo's advertising?

A. Actually our advertising had always been consistent with present objectives. However, now ads try to convey more information like, for example, discussing end benefits of equipment features.

Q. Can this program be tailored to a smaller store?

A. Definitely!

### AGMC conducting productivity study

WASHINGTON, D.C.—A major study of productivity in the retailing industry will be conducted for the Assn. of General Merchandise Chains (AGMC) by Arthur Young & Co., the international public accounting and consulting firm.

AGMC is the national trade association that represents the interests of variety and discount general merchandise chains, among them K mart, F.W. Woolworth, and smaller regional chains such as Duckwall-ALCO stores and single unit retailers.

According to Edward T. Borda, AGMC president, "The focus of this study is on productivity as it relates to the improved utilization of resources for increased profitability. The cost of many resources ranging from energy and real estate to capital and labor has escalated over the past few years. Therefore, retailers have been forced to focus on the productivity of their resources to improve productivity."

The objective of the study is to identify current productivity levels and to examine the current productivity issues facing retailers. Specifically, Arthur Young will examine the relationships between productivity levels and profitability. The results of the study are expected to help retailers to evaluate their own productivity levels and to identify areas or better managing their own resources to improve profitability.

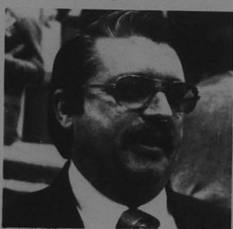
AGMC expects the study to be completed in early 1981.

MERCHANDISING

### Hifi mfrs. and dealers stress prepackaged components

LAS VEGAS—Prepackaged, one-brand matched components are taking hold as a truly significant force in hifi sales.

As a result, hifi manufacturers and dealers attending the CES here reported putting much more emphasis behind these systems, making them more competitive with free-



"This is not components thrown into a box," says Pioneer's Phil Welch. "It's a concept." Hifi demographics are changing, say manufacturers.

standing components and high-end midfi products.

This very clear trend in the marketplace is a tough pill for the specialty store to swallow, according to several manufacturers. Expertise in components is what sets hifi specialists apart from other types of retail outlets who are now gaining market share in hifi—mainly through their success with prepackaged components.

"This is not components thrown into a box," said Phil Welch, director of marketing for U.S. Pioneer Electronics' Syscom line. "It's a concept."

The demographics of the hifi market are changing, Welch and other hifi producers stressed during the semi-annual consumer electronics show, and components buyers are generally older and more of them are women.

"The average age [of the Syscom buyer], according to our research is just under 30," Welch said, "but it's going up and that was predictable. The average age of the components

(Continued on page 62)



RCA expects to sell over 200,000 videodisc players bearing its own name this year, says vice president, general manager Jack Sauter. While tv manufacturers were bullish, hifi makers generally expressed caution.

act," Eastwood said. He commented that most of the bugs in the laser disc system have been worked out, and product coming on the market is free of most of the problems critics saw in the past.

Jack Sauter, vice president, general manager, RCA Consumer Electronics, said, "Videodisc players will achieve national distribution during the year, setting the stage for subsequent explosive growth of an affordable new product that will be an important addition to the video age of the '80's." Sauter said RCA expects to sell 200,000 videodisc players bearing RCA's name in 1981.

Sauter said the videodisc will help revitalize the independent television dealer. Claiming the vigorous elements are in place for a video

explosion, Sauter said the retailer holds the key to its success. "Retailers need a product like the videodisc to make their customers aware they are in the video business," Sauter said.

Most of the other videodisc systems made their debuts at the CES with manufacturers all making claims of strong potential for the product.

#### Hifi companies prefer to wait

However, the hifi companies still prefer to wait. According to Don Palmquist, vice president, marketing, Kenwood, a project group has been set up in Tokyo to study the feasibility of entering the video market. "We have both an optical and a CED license and could conceivably enter the field with either one. We made a pro-

totype of a disc player for the Tokyo Audio Fair last fall." Palmquist said it was safe to say there would be nothing in video from Kenwood in 1981.

Victor Amador, president, BSR Consumer Products, said the company was playing a waiting game. "We have a license for the RCA system but things are moving so quickly in the field that we're going to sit it out and wait." Amador said questions concerning which system will win the disc sweepstakes will have to be answered before BSR makes its move.

Sansui is preparing new entries into the home video market and while Tom Yoda, vice president, marketing and sales, said videodisc will be among them, he is hedging his bets as well. "Video may become big business, but we don't want to be a video company. Our bread and butter is audio, but we are seeking to diversify into the electronic age."

According to Yoda, Sansui, which demonstrated a VHD system at CES, may not utilize that format in its American market plans. "We're still not sure which system it will be. We are showing VHD now, but we might go with CED. It will definitely be a capacitance system," he said. Introduction of one of the systems is likely to take place sometime next winter.

Bob Fisher, national sales manager, Aiwa, said the company won't make a decision about video until August. "I imagine there will be something in 1982, but we're not sure what it will be. Most of our direction comes from Japan and they haven't decided yet. I can tell you this, whatever it is, it won't be a 'me too' product. It will be large in scope and will incorporate innovative technology," Fisher said.

(Continued on page 61)

### Hand-held games top \$60, video units' sales surge

LAS VEGAS—Will the \$60 to \$100 self-contained electronic games introduced at CES gather dust on retailers shelves in 1981?

According to their manufacturers, these units are the future of the non-video electronic game. Their belief is that consumers will prove willing to pay for increased sophistication and "play value." Similarly, a host of tv game cartridges, including "strategy and planning" type games, also debuted.

Although the discounting of tv game hardware is a problem for some retailers, most can sell the cartridges at suggested list price. On the other hand, the flood of low-priced games that ruined the 1980 Christmas selling season for some figures to be followed by liquidations and closeouts this year, according to retailers and manufacturers. It is for that reason that some expressed enthusiasm over high play value at higher price points.

Radically higher-priced than any previous "hand-held" sports games, Mattel Electronics' World Championship Football and Baseball will initially retail at close to \$100. The

two-player games offer sophisticated programming capabilities and lifelike LCD animation. In the strategy field, Mattel showed Ticker Tape Fever and Dungeons and Dragons. The Invisible Alien Neutralizer rounded out the new, over-\$60 line.

Across the aisle, Atari introduced games which feature holoptics, or three-dimensional images on a two-dimensional plane. The programmable Cosmos combines the 3d images with sophisticated LED game play and sound effects. The initial eight game cartridges include Asteroids, Superman and Space Invaders. The Cosmos unit will retail at "under \$100."

Each game can be played by one or two persons, at two different skill levels. There are two separate holographic images on each game cartridge. "This is the beginning of a family of holographic products," president Ray Kassar told Merchandising. "It is the future of hand-held games."

"You've got to create products that retain their interest," commented (Continued on page 62)

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FEBRUARY, 1981



reading ads describing Pacific Stereo's Fall Music Festival promotion. In Minneapolis, shoppers had the chance to think about special rebates on eight items featured during Team Electronics' warehouse sale. And in Ohio, a "Hog Wild Sale" run by Jacoby's trumpeted an offer gourmets couldn't refuse—a free ham with every major appliance purchased. These promotions—and many more—were described in newspaper, radio and television ads retailers ran in 1980. A number of typical ads were available for review at the first

electronics show exhibit. The 500-square-foot area may be doubled next year, a CES spokesman told *Merchandising*. Aside from retail ads, the Showcase housed a variety of exciting merchandising aids offered by manufacturers. Announces a choice of four. In a newspaper ad last summer, Pacific Stereo advised consumers that a drawing would be held in September whereby someone could win a trip for two to one of four music festivals: New York Philharmonic at Lincoln Center; Grand Ole Opry in Nashville;

The CES Advertising and Promotion Showcase offered retailers the chance to learn some new ideas. Summer '81 Central Park concerts in New York City; Monterey Jazz Festival in California. In the Seattle-Tacoma area, Pacific Stereo ran a circus promotion featuring free helium balloons for kids plus 10-cent hot dogs and soft drinks at "three tent locations."

Audio Warehouse, operating six stores in Ohio, created a bundle of different promotion themes to keep consumers interested. Radio spots described the three-day "St. Valentine's Day Price Massacre" sale, the annual "two days of hot turkey" sale and a two-day "two-million dollar remodeling clearance" promotion. Departing from a heavy price emphasis, Team Electronics used a "Give a gift they'll remember" theme for a series of tv spots run last Christmas.

Labs Ltd. within a 1 to industry hifi division Philips has a by its parent The four recently moved Fort Wayne, home of an Magnavox Co. According president of Electronics, whether to c been made, process of m

## CES COVERAGE

### Prepackaged components bring in older customers

Continued from page 59

buyer is under 24." Furthermore, Pioneer discovered from its warranty cards and additional market research that 68% of its Syscom customers are married while only 28% of its regular components buyers are married.

There are currently seven prepackaged Syscom models, with speakers, which are not interchangeable in any way, and they represent a separate Pioneer franchise. To date, there are only about 480 Syscom dealers, representing 1,600 store units, which includes a variety of store types.

"It has nothing to do with price," Welch said. "We have some dealers who are discounting Syscom."

#### Furniture & department stores gain

Most outlets are hifi shops, but there are also appliance/tv and department stores in the network, as well as some furniture stores. In fact, furniture stores now represent 5% of the market for Syscom products, with only 3% of the distribution. "So we see furniture stores getting even more of this business," Welch told *Merchandising*.

Dick Hultine, national sales manager for Fisher Corp., agreed that prepackaged, racked components "do nicely in some furniture stores and department stores."

He added: "This portion of our (hifi) business is up for us—it's accounting for a bigger share of our sales."

Steve Pontier, vice president at Meier & Frank, Portland, OR-based department stores, said: "We're doing a tremendous business in this category. In fact, last year, we only sold one of the \$1,700 Fisher units off price."

Henry Akiba, vice president-product, Kenwood Electronics, said: "It's definitely a growing part of our overall sales and accounts for an expansion of the customer base."

#### Appeal to older customers

Lori Hoffman, advertising and promotion manager for Brands Mart Hifi, Kansas City, MO, said Pioneer's Syscom packages are "doing very well—bringing in a new, generally older group of customers, including more women."

Denis Wratten, president of KLH Research & Development, said: "The consumer is becoming less oriented toward components. He wants a system with a brand name at a reasonable price that plays music extremely well."

And KLH hopes to fill that bill with a new series of prepackaged components, to be available in June.

Sansui has also expanded its prepackaged hifi line with five new systems. Tom Yoda, vice president-marketing, said that "some hifi specialty stores are doing a very good job promoting" these systems, but that so are furniture stores and mass merchants.

Richard Rukavina, regional vice president for the Stereo Town chain based in Des Moines, IA, said: "It's getting difficult to make a profit" in

matched components, mainly because of local price competition.

"About 10% of our sales are in this category," Rukavina said. "We sell them mostly to first-time buyers, and a lot of these people are buying cassette decks with their systems, which is something of a surprise to me. A turntable is usually sufficient for a first-time hifi buyer."

#### Consumers feel comfortable

Jim Maynard, director of marketing for audio at Hitachi Sales Corp. of America, said he has seen the trend coming for some time. "People feel a lot more comfortable with the one brand all put together in a nice package for them."

Maynard also agreed with other hifi marketing executives that the prepackaged components are helping department stores and mass merchandisers get a bigger share of the market. "The concept has become more appealing to women," Maynard said, "because they're seeing these systems in department stores and chains and that's where they usually shop."

He said hifi dealers who are working with prepackaged one-brand systems are usually successful with them.

Panasonic expects to move much more aggressively into the prepackaged, matched components by mid-year, according to Jack Weiss, national sales manager.

"We'll be priced about the same as the Technics products," Weiss said, "but we won't aim our stuff at the specialist. We see ourselves going after department stores, mass merchants, and strong independents. We'll be very aggressive (with these products) in the spring when we introduce a new 'matched' line."

Weiss said Panasonic didn't push its racked components at the CES because they didn't actually fit the prepackaged, matched concept being shown by other manufacturers.

Thomas Lindemann, president of The Music Store, New Ulm, MN, who just took on Pioneer's Syscom line, said: "We're finding that we're doing more systems business now and this fits in very nicely with what we see happening in the marketplace."

Another dealer, Paul Wells, Audio West, Greeley, CO, said: "We seem to be going that way, too. And it makes sense other than for just market reasons. You can make more efficient use of your display space. And it helps a lot in controlling your inventories and with such things as co-op."

At Onkyo, marketing director Ken Furst said: "We really don't have a program for the prepackaged matched concept. But we're going in that direction."

Welch said one more thing that Pioneer discovered from research is that the average hifi customer buys on his or her sixth visit to a store, but that about half of the Syscom buyers actually made a purchase on their first visit. "That told us we had something worthwhile," he said.

—Ron Schneiderman



### Hand-held prices near \$100; tv games also add features

Continued from page 59

Mattel vice president of sales Richard Hoag. "We'll have sports, but upscale sports. We'll get people into the line through Look Alive," new \$19 football, basketball and baseball games with the "eye view" of the ball carrier or batter. "There's a trend to older clientele," he continued. "America is getting older, anyway."

Retailers contacted at the show were generally optimistic about sales prospects for the higher-priced games, and plan to cut back on their low-priced sku's. Lechemere Sales president Michael Rouleau, for example, said that the stores carried 50 hand-helds in 1980, but will stock only 25 this year.

#### Chip shortages in the past

"Chip shortages are a thing of the past, so we are buying in smaller quantities," added Philip Bloom, vice president of the 110-unit Circus World toy stores. "There's a shake-out now going on," he continued. "Consumers still want hand-held electronic games, but they want more sophisticated product." The chain of mall stores will gear the high-priced games to adults, he said.

Also interested in the new programmable skill-level games was Gimbel's New York buyer Dave Schneiderman. The World Championship games by Mattel are even more sophisticated than the Intellivision video games, he commented. Meanwhile, he too plans to trim sku's.

"Learning computers" for children also hovered around or exceeded the \$100 price point. One example is Tiger Electronic Toys' K-2-8, priced at \$100. It offers a 1,500-word vocabulary and activities in spelling, reading readiness and mathematics.

"First generation sports games are not selling any more," senior vice president of marketing Bill Pascoe added. The Tiger 5-in-1 Sports Stadium offers inserts for football, baseball, basketball, hockey and soccer. The \$40 game features instant replay and a half-time. "It does everything but sell beer," Pascoe said.

"We feel we should be in the popular \$20 to \$40 range, and we also have an under-\$20 game and one under \$10," commented Coleco vice president of marketing Mike Katz. "We feel it's risky, considering what happened at retail, to move very expensive new items." According to Katz, consumers are looking for more features for under \$40. Coleco scheduled eight new games for Toy Fair debuts, including boxing, bowl-

ing and a new game featuring four sports for up to four players.

Mego Corp. said its suggested retail price of its Time Out series from \$49 to \$29. Its racetrack computer will sell for \$49.95, substantially less than previous units from other companies.

The trend to more sophisticated games was equally strong in the video area. Moreover, not only did the cartridges feature enhanced play value, there also were new hardware developments.

It was disclosed to *Merchandising* that Mattel will show a \$70 add-on voice synthesizer for its Intellivision master component at the Summer CES. Distribution will begin in the fourth quarter. A host of new cartridges will become available in 1981, including Boxing, Submarine Battle and Arcade, a more sophisticated game than Space Battle. The keyboard component will be distributed nationally beginning April 15.

Sales leader Atari unveiled a \$99 Remote Control Video Computer System. The controls allow players to move around the room without control wires interfering. Among the new cartridges are Asteroids and Video Pinball.

Magnavox Odyssey 2 games now include the Master Strategy series. The two initial games introduced here are said to combine board action and strategy with video action. Six more are planned for this year.

A Galaxian cartridge will be available from Bally Div. of Astrovision in March. Tennis and Laser Blast from Activision will reach retailers' shelves by April. Another game, tentatively titled Ka-Boom, drew enthusiastic response and will top Space Invaders in impact, according to one Activision representative.

The Coleco Telstar series of dedicated games continues with two games, priced below \$30. They will be supported by television spots this year, vice president Katz said. "The rising prices of self-contained and programmable games make dedicated games a good value," he added.

Other retailer comments included "Atari was phenomenal at Christmas," from Schneiderman of Gimbel's; "Atari cartridges sold extremely well in the 60 days before Christmas," from Steve Wilson, Fotomat vice president in charge of video; and "We are seriously considering stocking Intellivision and everything that goes along with it," from Bloom of Circus World.

—William Silverman

MERCHANDISING

## PRODU

### Electra two scar

CUMBERLAN debuts a pocket cordless Freedom. It also introduces a scanner; a low model, and a weather warning. The Pocket Fures 1-inch in wide and 5-1/8 finished in a black.

Offering the regular phone, it to 600 ft. away from the phone line. centrally located available over a area.

Although des pocketable, the p carrying case an suggested list.

Shipments start i Available ear quarter, a new "tells" with all being received.

Model 350 can i a description of y for each of its 56 call is received. description is aut on a bright fluore. The same displ exact frequency b the radio is in th push of a button from alpha to nur

Suggested list channel, top-of-th just under \$600.

Designed to at scanner buyer, is \$249.95 suggested of the synthesized quarter.

The unit has 10 the 16 offered.

### Kenwood Audio Pu

CARSON, CA sented nine Series Winter CES. Th packaged compon nationally advertis from \$968 to \$2,56 It also debuted Audio Purist line stereo amplifiers, s speaker system.

Each Series 81 matched amplifier receiver), turntabl two speakers, and features a "technic actually two matc cabinets. Also inclu glass doors, casters ments for records chrome and rosew Suggested list pri \$1,546 suggested p

Seven new comp added to the Audio include three high-matching AM-FM s a 10-inch, two-way Drive, said to resu reduction in distort per channel KA-1 nationally advertise

A GRALLA PUBLICATION  
**Merchandising**  
THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

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59th Annual Statistical & Marketing Report

## A look at '80 sales product-by-product

Help is on the way for appliance retailers

Sales training: Toughest job is training management

**Merchandising**

FOR OVER \$4,500  
RETAILERS & WHOLESALERS



Here's the way - with this great new Zenith top-o-set display - to get your share of the profitable indoor antenna business. 9 models cover all market segments. Stock up and you'll sell on the strength of Zenith's name, Zenith styling...and

famous Zenith performance. Call your Zenith distributor now for the point-of-sale display that puts you in the cash-and-carry indoor antenna business for keeps. Hurry! Limited number of displays available!

Zenith Radio Corporation/Service, Parts & Accessories Division/11000 Seymour Avenue/Franklin Park, Illinois 60131

Introducing! Zenith's new decorator-styled Model 973-824 in simulated wood-grain finish.

base for videocassette software. There's less software available as well. I think it's going to be a long time before videocassettes contribute significantly to our volume," a New Jersey retailer asserted. "We only have 20 titles in disc compared to 300 in cassette," he said.

An area that's growing all the time is blank cassettes. "People who buy VCR are buying it largely to record off-the-air. They need a blank cassette for that. You can do very well with a wide selection of tapes both in Beta and VHS formats," the New York retailer said. "A good point-of-purchase display with slightly discounted prices can help a lot."

Shortages in blank tape have not hit retailers as hard as had been expected. "You can always come up with blank cassettes," one dealer noted. "Sometimes it takes a little hustling and a willingness to look around for it. But they can be found."

MERCHANDISING

## TRENDINGS IN PERSONAL ELECTRONICS



William Adams

### Will mfr. closeouts pick up spring slack in games?

Children want what they see advertised on television, and electronic games therefore remain a tough sell except in the fourth quarter.

What can be done? Some retailers headed for the American Toy Fair looking for hot baseball and basketball games to promote at a low price. They hope these items will sell briskly when cooperative advertising com-

bines with interest generated by newspapers' sports pages.

"Buyers throughout the country will promote manufacturers' closeouts in the spring," said the electronic games buyer for a giant toy store chain. "By fall, that stuff will have washed out, hopefully. It can be hard to sell a \$39 game if similar \$9 games are available," he pointed out. Most retailers said they would shy

away from "off brands." Not only are they cutting back on sku's this year—"We don't need eight football games," said one—there also is the potential problem of service. "The games are generally reliable since we buy from reliable manufacturers," said a dealer. If there is a problem, these retailers usually give the customer a new game, since suppliers, in turn, grant them a hassle-free exchange.

"We like to see a sales slip, but the customer basically gets his way," was a typical comment. "Our customer service desk heads off a lot of complaints—it solves an education problem, and we're not taking back more games than we need to," the president of a discount store said.

Some buyers set out for New York with the intention of keeping away from low-priced games entirely. "We play our own ballgame, and it's been very successful," said the head buyer for a leading catalog showroom buying service. "We want to stay away from any new low-end games until we see what will happen to prices," commented a department store buyer. "A lot of closeouts from last year would kill the market."

"The companies will be showing fewer electronic items this year than before," he predicted. "I'm in favor of that. It means I can be narrower and deeper. I'd rather key in and hit heavy on some than be over-assorted and have a lot of sku's to support." Added another department store buyer, "Where the bottom or where the good basic price point will be, we won't know until we get into it."

#### Buying in smaller quantities

Meanwhile, not only are retailers buying more selectively, they also are buying in smaller quantities, and more often. This strategy proved successful for some during the fourth quarter of 1980, and helped them have good sell-throughs. "We played it close to the vest and revised our orders on an almost weekly basis," said one. "Shortages are over with, and you can buy what and when you want," pointed out another.

Although retailers generally praise suppliers' cooperation in this regard, some would like to see earlier-in-the-year introductions of new models. "Little new is shown at the Consumer Electronics Show, and we can't really plan until we see what's available at the Toy Fair," said a buyer. He also would like to see new product shipped earlier in the year than July, to aid seasonal business.

Thus, although there exists potential business in the spring and throughout the year, the lack of new product combined with the expense of solo advertising are two strikes against many merchants. Still, everyone gets three, likewise when the game is electronic.

Perhaps this business will become less seasonal now that more-expensive fluorescent, LED and LCD games, sometimes priced as high as \$80, or are being introduced.

The expansion of "self-contained" games into new categories that appeal to teenagers and adults is a trend that bears close watching.

Will these games mostly interest electronic (self-contained and video) game fanatics? Or will they evolve into a grouping like watches or radios? One thing is for sure: they'll be backed by some heavy advertising muscle next fall.



### Now—anyone can afford to stay in touch—with the newest Cobraphone...

It goes wherever you go—indoors or out—and makes sure you receive calls you might otherwise miss...

With this new economical Cobraphone cordless extension phone, you can stay in touch for less than \$100.00! And you can use it anywhere in and around your home or even at your neighbors.

Uses for the new Cobraphone are limited only by your imagination: on the patio or at poolside, in the yard, garage, or basement, in the sickroom, by recuperating patients or invalids; in a warehouse or on a construction site. Also use it while watching TV—take calls without leaping up from your favorite chair. Or leave it at your next door neighbor's home, so they can answer your phone while you're away—a great aid to home security!

You'll marvel at the outstanding quality of voice communications on your Cobraphone. That's because Cobra's famous power and quality make sure conversation is "loud and clear" with your



Cobraphone—as with Cobra CB radios. And it features the same full FM duplex system found on all Cobraphones: talk and listen as you would with a conventional phone—no annoying push-to-talk buttons.

The CP-18S installs in seconds: just plug into the nearest AC outlet and phone jack. That's all there is to it!

So visit your favorite retail, department or electronics specialty store today. Ask to see the full Cobraphone line. Then take home your choice and enjoy all your activities—and still be in touch with everyone—anywhere in the world.

Write for free color brochure.



Cobra Communications Product Group  
DYNASCAN CORPORATION  
6460 W. Cortland St. Chicago, Illinois 60636

### Bigger National Advertising Program Than Ever!

Your customers will see this ad in Playboy, Esquire, Time, Newsweek, Sports Illustrated, Sport, GQ, Popular Science, Popular Electronics, Better Homes & Gardens, House Beautiful, Good Housekeeping and more!

THE A

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313. Metric calculator conversion functions—US and US to metric LCD and Auto Power



CT-66 speaks the ti built-in alarm



## FIVE YEAR TABLES:

### Product Sales Growth & Performance

MANUFACTURER SHIPMENTS OF PRODUCTS FOR SALE  
IN THE UNITED STATES WHETHER U.S. OR FOREIGN MADE

## HOME and AUTO ELECTRONICS

PRODUCTS	1980		1979		1978		1977		1976	
	NUMBER SHIPPED (000)	RETAIL SALES (\$000)	NUMBER SHIPPED (000)	RETAIL SALES (\$000)	NUMBER SHIPPED (000)	RETAIL SALES (\$000)	NUMBER SHIPPED (000)	RETAIL SALES (\$000)	NUMBER SHIPPED (000)	RETAIL SALES (\$000)
<b>VIDEO</b>										
TV, B&W, Total	6,149	684,891	6,281	681,867	6,064	701,134	5,664	650,913	5,196	567,430
Portable & Table	6,132	680,753	6,258	675,864	6,030	693,450	5,617	640,338	5,134	554,472
Console & Combo	17	4,128	23	6,003	34	7,684	47	10,575	62	12,958
TV, Color, Total	9,978	4,856,854	9,793	4,617,829	10,236	4,992,654	9,107	4,438,234	7,700	3,933,156
Portable & Table	7,738	3,273,174	7,530	3,094,830	7,618	3,207,178	6,600	2,778,600	5,428	2,415,460
Console & Combo	2,240	1,583,680	2,263	1,522,999	2,618	1,785,476	2,507	1,659,634	2,272	1,517,696
TV, Projection	77	209,902	63	182,700	54	124,200	20	38,000	12	26,400
Videocassette Recorders	804	699,966	478	431,292	402	356,480	225	247,500	43	51,600
Video Cameras	115	120,056	73	62,048	61	30,898	—	—	—	—
TV Games	1,750	204,500	1,685	125,555*	2,585	163,075	5,420*	263,550*	3,550	150,500
<b>AUDIO/HIFI</b>										
Components, Total	14,700	1,772,249	14,562*	1,704,735*	13,190	1,497,230	12,045	1,323,775	10,891	1,142,529
Receivers	1,465	414,595	1,450	398,750	1,320	442,200	1,185	392,235	1,050	341,250
Amps, Pre-Amps, Tuners	533	160,966	554*	155,120*	370	111,740	320	96,640	275	81,125
Turntables (Excluding OEM)	2,336	310,688	2,433	316,290	2,200	281,600	2,015	251,875	1,866	222,054
Cartridges (Excluding OEM)	3,745	112,350	3,500	98,000	3,200	89,600	3,000	81,000	2,600	67,600
Speakers (Components Only)	3,735	623,578	3,850	600,600	3,500	476,000	3,125	415,625	2,800	350,000
Headphones	2,886	150,072	2,775	135,975	2,600	96,200	2,400	86,400	2,300	80,500
Compact Systems, Total†	3,815	812,885	4,341	939,028	4,474	962,979	4,508*	914,896*	3,582	715,696
Cassette Bimode	80	14,880	73	14,162	53	9,275	45*	7,515*	38	6,260
8-Track Player Bimode	310	39,990	383	54,769	603	102,510	631*	104,115*	525	85,575
8-Track Player Trimode***	637	110,838	777	140,637	1,038	221,094	1,081*	222,685*	843	171,972
8-Track Recorder Bimode	321	56,817	417	79,230	500	120,000	399*	41,496*	555	102,675
Changer Bimode***	233	32,154	268	37,788	350	38,500	399*	41,496*	324	33,048
8-Track Recorder Trimode***	974	223,046	1,188	283,932	1,500	382,500	1,397*	342,265*	1,100	267,300
Cassette Trimode***	1,260	335,160	1,235	328,510	330	89,100	270*	68,040*	197	48,856
Portable Tape, Total	14,884	817,734	13,565	693,435	13,313	690,191	12,314	591,111	11,182	531,485
Cassette	13,720	740,880	12,250	600,250	11,600	568,400	10,500	462,000	9,546	419,400
8-Track Players	913	45,650	1,100	67,100	1,513	101,371	1,637	109,679	1,542	100,230
8-Track Recorders	42	4,452	57	7,125	85	11,220	102	13,056	94	11,855
Microcassette Recorders	209	26,752	158	18,960	115	9,200	75	6,376	—	—
Tape Decks, Total	716	178,038	675	183,510	650	182,290	591	162,375	518	147,187
Cassette	545	117,265	495	113,850	440	103,840	385	88,165	313	71,677
8-Track	68	10,200	72	10,800	95	15,200	97	15,132	90	13,410
Open Reel	103	50,573	108	58,860	115	63,250	109	59,078	115	62,100
Console Stereo**	470	98,700	540	108,000	600	186,000	725	253,750	31,656	215,166
Radios, Total	27,012	867,693	28,550	918,750	32,478	1,056,190	41,800	1,168,000	31,656	821,719
Table	1,053	46,332	1,250	56,250	1,505	67,725	1,800	72,000	2,876	106,412
Portable	16,613	382,099	17,100	393,300	20,266	506,850	28,000	616,000	21,427	428,540
Clock	9,346	439,262	10,200	469,200	10,707	481,815	12,000	480,000	7,353	286,767
<b>AUTO SOUND</b>										
Autosound, Total	18,362	1,486,839	18,630	1,518,225	17,855	1,283,680	8,644	824,062	6,776	608,018
UD 8-Track Player	871	47,034	1,300	78,000	1,600	78,400	1,900	87,400	1,735	78,075
UD 8-Track/Radio Combo	275	23,650	500	48,000	500	41,000	555	43,845	500	38,560
UD 8-Track/Radio Combo	1,950	214,500	2,500	342,500	2,600	296,400	2,590	292,670	2,255	248,050
UD Cassette Player	822	64,116	775	58,900	700	58,800	750*	60,750*	560	44,240
UD Cassette/Radio Combo	605	81,070	605	75,625	555	75,480	550*	70,400*	375	46,875
UD Cassette/Radio Combo	2,486	400,246	2,200	343,200	1,700	255,000	1,233*	183,717*	700	101,500
Radios Only (Retrolit)	1,188	137,808	1,250	135,000	1,000	83,000	1,065*	85,280*	651	50,778
Car Speakers (In Pairs)	10,165	518,415	9,500	437,000	9,200	395,600	—	—	—	—
Radios, Citizens Band, Total	1,412	111,706	1,590	130,210	4,736	393,260	7,182	571,620	11,280	1,976,220
Base Units	169	17,238	190	24,885	686	109,760	1,005	201,000	1,820	405,860
Mobile Units	1,243	94,468	1,400	105,325	4,050	283,500	6,177	370,620	9,460	1,570,360
<b>BLANK TAPE</b>										
Blank Tape, Total	260,063	852,416	244,753	696,931	268,500	805,100	249,090	478,282	230,800	400,433
Audio	244,747	594,812	234,768	511,259	263,000	710,100	246,090	436,282	—	—
Cassette	218,689	487,676	203,986	399,509	220,000	564,000	200,000	324,000	186,500	296,535
Open Reel	8,864	74,812	9,200	72,558	11,000	69,100	12,250	41,895	12,600	40,698
8-Track	17,194	32,324	21,600	39,192	32,000	77,000	33,840	70,387	31,600	63,200
Video	15,316	257,604	9,967	175,672	5,500	95,000	3,000	42,000	—	—

Revised \*\*Included combinations 1976-1978; combinations now included only under TV  
\*\*\*Includes Changer †All units include Stereo Radio

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## FIVE YEAR TABLES: (continued)

### Product Sales Growth & Performance

MANUFACTURER SHIPMENTS OF PRODUCTS FOR SALE  
IN THE UNITED STATES WHETHER U.S. OR FOREIGN MADE

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Join

# FIVE YEAR TABLES: (continued)

## Product Sales Growth & Performance

MANUFACTURER SHIPMENTS OF PRODUCTS FOR SALE  
IN THE UNITED STATES WHETHER U.S. OR FOREIGN MADE

### HOME and AUTO ELECTRONICS (continued)

PRODUCTS	1980		1979		1978		1977		1976	
	NUMBER SHIPPED (000)	RETAIL SALES (\$000)	NUMBER SHIPPED (000)	RETAIL SALES (\$000)	NUMBER SHIPPED (000)	RETAIL SALES (\$000)	NUMBER SHIPPED (000)	RETAIL SALES (\$000)	NUMBER SHIPPED (000)	RETAIL SALES (\$000)
<b>PERSONAL ELECTRONICS</b>										
Calculators, Total	26,502	841,280	25,380*	843,063*	23,341	914,589	22,089	876,767	20,541	807,803
Hand-Held, Total	22,288	419,514	21,317	425,333	20,111	494,739	18,808	425,872	17,563	361,813
Mini-Card	2,754	57,834	2,598	57,156	2,050	61,500	—	—	—	—
Printer	659	47,448	573	47,559	475	41,800	—	—	—	—
Programmable	88	13,640	82	13,530	75	13,875	69	13,614	63	11,813
Other	18,787	300,592	18,064	307,088	17,511	377,564	—	—	—	—
Desk-Top, Total	4,214	421,766	4,063*	417,730*	3,230	419,850	3,281	450,895	2,978	445,990
Display Only	927	54,693	946	56,760	930	60,450	886	62,020	1,068	85,440
Printer Only	1,095	95,265	1,106*	99,540*	1,400	197,400	2,000	300,000	1,660	298,800
Printer/Display	2,192	271,808	2,011*	261,430*	900	162,000	395	88,875	250	61,750
Digital Watches, Total	21,163	623,030	19,717	648,654	17,750	642,500	15,600	686,400	11,400	615,600
LED	593	5,930	2,967	37,404	5,250	125,000	9,140	7,260	—	—
LCD	20,570	617,100	16,750	611,250	11,500	517,500	6,460	4,140	—	—
Telephones	2,402	170,964	2,100	132,196	1,418	67,220	—	—	—	—
Telephone Answering Devices	579	92,640	495	80,685	400	84,000	300	60,000	225	33,750
Non-Video Electronic Games	19,702	—	16,083	—	5,656	—	—	—	—	—
Personal Computers	371	—	246	—	212	—	180	—	—	—
Radar Detectors	549	86,193	610	82,350	850	—	550	—	—	—

\*Revised

\*\*Included combinations 1976-1978; combinations now included only under TV

\*\*\*Includes Changer

†All Units Include Stereo Radio

## Five-Year Tables: Electronics Analysis

### Video has repeat strong year; audio shows few bright spots

Color television racked up another strong year in 1980, falling just short of the 10 million unit sales mark, but topping 1979's total for the category by about 2%.

Hardest hit electronics were underdash 8-track players (down 33%) underdash 8-track/radio combos (down 45%) and in-dash 8-track/radio combos (down 22%).

CB radios were down in shipments about 11% across the board.

Blank audio cassette shipments pulled off another good year, up 7%, reflecting the continued growth of the cassette format.

At the same time, however, open reel and 8-track blank tape shipments dropped as did hardware sales for these formats.

Blank videotape shipments were up 54% as the population of videocassette recorders in the U.S. passed the 1.5-million mark, according to several industry estimates. Shipments of videocassettes hit 15.3 million in 1980, valued at \$257.6 million at retail.

In personal electronics, every major category but one—radar detectors—showed improvement in 1980.

Calculator shipments were up 4% overall with the best showing tuned in by hand-held printers. Among desk-

top models, the printer-display units showed a 9% increase in shipments in '80, while the printer-only models dropped very slightly—they were off 1% in shipments.

Digital watches also had a good year although LED models took a serious beating as more consumers turned to LCD watches.

Telephones and telephone answering devices performed well as consumer awareness continued to build for the category. Phone shipments climbed 14% to 2.4 million units; answerers were up 17% to 579,000 units.

Non-video electronic games became less of a seasonal item and grew to the point where industry shipments reached 19.7 million, or 23% higher than in 1979.

Personal computer shipments are still low in comparison to other home electronic products, but the rate of growth is impressive and is expected to continue. According to industry estimates, 371,000 units were shipped in 1980, an increase of 51% over '79.

Radar detectors did poorly, with shipments off 10% at 549,000 in '80.

Projection tv also made some gains with shipments up 22% to about 77,000 units over the previous year.

Considering the high-ticket value of the product, some manufacturers were surprised at this growth, but expect a brighter future for wide-screen television products, mainly because new models are coming to market from video-oriented manufacturers for the first time and they will be promoting their entry into this market on a national level.

Video games, which are growing in complexity and are more like the coin-operated games, edged up during 1980 by about 4% to unit shipments of 1.8 million valued at \$204.5 million at retail.

On the audio side of the home electronics business, component hifi rose very slightly (1%) in units shipped. Certain accessory items, like cartridges and headphones, did well, and receivers showed slight growth during the year, but shipments overall were weak.

The compact systems picture was even worse. Overall, compact shipments dipped about 12% during 1980. Only one segment of this category showed any growth and that was the cassette bimode mode. Weakest, of course, were the 8-track compact systems.

In portable tape, only 8-track models did poorly. Cassette units advanced 12% in shipments in '80, well enough to bring in portable tape total shipments at plus 10% over 1979.

The big number in portable tape, however, was done by microcassette

recorders, which seem to be gaining as a business tool, but have also shown considerable strength among students and other consumers. Shipments climbed to 209,000 units in 1980, a 32% increase over the previous year.

Tape decks were up, too, but only because of a good year for cassette models. The 8-track units were off about 6% in 1980. Open reel models dipped 5% in total shipments.

Radio sales also continue to decline. Overall, shipments were off 5%, to 27 million. The biggest drop in radio shipments was in table models. Portables and clock radios were less vulnerable to generally weak market conditions.

In autosound, only one type—the in-dash cassette/radio combination—made any significant gains as shipments of these climbed 13% in '80. Car speakers were up, too, by 7%. The only other gainer was underdash cassette players, up 6%.

The most impressive growth in video entertainment came in videocassette recorders. Unit shipments leaped during 1980 to 804,000 units, up 68% from 478,000 in 1979. In dollars, the difference from year-to-year was \$699.97 million versus \$431.3 million. Sales growth at retail was attributed to several factors: Higher consumer awareness, more highly featured models, sharper price points on some units, and a growing interest in home entertainment. Also, the category was very heavily promoted.



## ELECTRONICS HIGHLIGHTS

### VIDEO

COLOR TV SHIPMENTS BY SCREEN SIZE			
Screen Size	1980 Units (000)	1979 Units (000)	% Change 1980/1979
9-Inch	392	369	+ 6%
12 & 13-Inch	1,508	1,352	+ 12
14 & 15-Inch	283	316	- 10
16 & 17-Inch	351	382	- 8
18 & 19-Inch	4,890	4,807	+ 2
21-Inch	179	176	+ 2
23-Inch	253	248	+ 2
Console & Combo	214	212	+ 1
Table	39	36	+ 8
25-Inch	2,122	2,143	- 1
Console & Combo	2,026	2,051	- 1
Table	96	92	+ 4
TOTAL	9,978	9,793	+ 2%

COLOR TV SHIPMENTS			
	1980 Units (000)	1979 Units (000)	% Change 1980/1979
With Remote Control	2,562	2,057	+ 25%
Without Remote Control	7,416	7,736	- 4
TOTAL	9,978	9,793	+ 2%

VIDEO CAMERA SHIPMENTS BY TYPE				
	Units (000)	Retail Sales (\$000)	Units (000)	Retail Sales (\$000)
B&W	16	\$ 5,216	30	\$10,620
Color	99	\$114,840	43	\$1,428
TOTAL	115	\$120,056	73	\$62,048

VIDEOCASSETTE RECORDER SHIPMENTS BY FORMAT				
	1980		1979	
	Units (000)	Retail Sales (\$000)	Units (000)	Retail Sales (\$000)
Beta	225	\$191,025	148	\$132,312
VHS	579	\$508,941	330	\$298,980
TOTAL	804	\$699,966	478	\$431,292

VIDEOCASSETTE RECORDER SHIPMENTS, BY TYPE			
	1980 Units (000)	1979 Units (000)	% Change 1980/1979
Portable VCR	122	48	+ 154%
Deck VCR	682	430	+ 59
TOTAL	804	478	+ 68%

### PERSONAL ELECTRONICS

DIGITAL WATCH SHIPMENTS BY TYPE			
	1980 Units (000)	1979 Units (000)	% Change 1980/1979
LED			
Men's	473	2,367	- 80%
Women's	120	600	- 80
TOTAL	593	2,967	- 80%
LCD			
Men's	14,570	11,750	+ 24%
Women's	6,000	5,000	+ 20
TOTAL	20,570	16,750	+ 23%
GRAND TOTAL DIGITAL WATCHES	21,163	19,717	+ 7%

TELEPHONE SHIPMENTS				
	1980		1979	
	Units (000)	Retail Sales (\$000)	Units (000)	Retail Sales (\$000)
Standard	1,044	\$32,364	994	\$28,826
Decorator	1,106	\$9,540	962	\$1,770
Advanced Electronic	252	\$9,060	144	\$21,600
TOTAL	2,402	\$170,964	42,100	\$132,196

CORDLESS TELEPHONE SHIPMENTS		
1980 Units (000)	1979 Units (000)	% Change 1980/1979
241	144	+ 67%

NON-VIDEO ELECTRONIC GAME SHIPMENTS			
	1980 Units (000)	1979 Units (000)	% Change 1980/1979
Board	3,702	3,183	+ 16%
Hand-Held	16,000	12,900	+ 24
TOTAL	19,702	16,083	+ 23%

LANGUAGE TRANSLATOR SHIPMENTS		
1980 Units (000)	1979 Units (000)	% Change 1980/1979
112	140	- 20%

\*Revised

## ELECTRONICS HIGHLIGHTS

### AUDIO

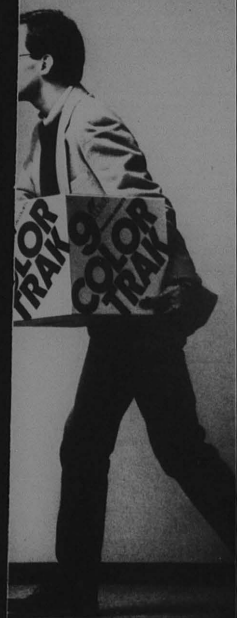
QUADMODE	
1980	1979

BLANK 8-TRACK SHIPMENTS BY TYPE	
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MERCHANDISING

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They could  
**COLORTRAK**  
ColorTrak name  
And more  
Talk to you  
And don't forget  
TV's could be t

\*Measured diagonally.

MERCHANDISING

ELECTI



Retail Sales (\$000)	1980 Units (000)	1979 Units (000)	% Change 1980/1979
28,826	3,702	3,183	+ 16%
81,770	16,000	12,900	+ 24%
21,600	TOTAL 19,702	16,083	+ 23%
32,196			

LANGUAGE TRANSLATOR SHIPMENTS			
1980 Units (000)	1979 Units (000)	% Change 1980/1979	
112	140	- 20%	

MERCHANDISING

They could be the most popular new models we've ever introduced. Since 1975, sales of small-screen color TV's have increased by 167%. And now that you can offer your customers state-of-the-art technology and the famous ColorTrak name, your small-screen business can get even bigger. And more profitable, too. With the higher margins that are standard for ColorTrak. Talk to your RCA Distributor about the full line of ColorTrak TV's in all the popular sizes. And don't forget to make lots of room for our two newest models. These small ColorTrak TV's could be the biggest thing to hit the TV business in a long time.



RCA is making television better and better.

## ELECTRONICS HIGHLIGHTS

### Television gains while hifi sags; decorator phones hit million-mark

The picture was bright for many television dealers in 1980, with the 4% color tv decline of 1979 becoming a 2% gain. Noteworthy was the strong increase in the consumers' preference for remote control sets, which gained 25% in units. Shipments of tv's without remote control dropped 4%. Biggest gainer in screen size was the 12-13 in. model, up 12%, although this is but one-quarter of the volume recorded by the 18-19 in. sets, which gained by 2%.

Black and white tv's, on the other hand, were down 2%. But mini-combination units and 9-in. and under sets jumped by 23% and 32%.

Television-related electronics also fared well in '80. Although video-cassette recorders still have achieved only a 2% penetration, the 804,000 units sold last year was up from 478,000 in '79. The 122,000 portable VCRs represented an increase of 154%. Video cameras shipped to the tune of 115,000 units last year, up from 73,000 a year before. Over 15 million blank cassettes were shipped, an increase of more than one-third. Prerecorded videotape shipments jumped 46%, from roughly 2.1 million to 3.15 million tapes. Overall, the VHS format has widened its lead over the Beta.

Also showing a healthy increase, tv game shipments totaled 1.75 million units in 1980, up from 1.68 million the previous year. Sales dollars increased at an even faster pace because of the growing strength of the more-expensive programmable games. Personal computers, meanwhile, also posted good gains—although they still have not made giant inroads into the home market.

#### Hifi shipments decline

Hifi component shipments were down 2%. Equalizers were a bright spot, though, and registered a 7% increase. Metal-capable tape decks gained in terms of units, but slipped in dollar value, as manufacturers shifted production to include this feature in lower-priced models.

So-called quadmode compacts also continued their advance. These combination receiver, turntable, cassette and 8-track players had doubled to 123,000 units in 1979, and reached 130,000 units last year.

Shipments of metal particle tape more than doubled. It should be noted, however, that the 226,000 units shipped were a mere fraction of the more than 98 million premium ferrite tapes sold, a 6% increase.

Home radio shipments declined, with one upbeat note the 9% gain in electronic display clock radios. In portables, cassette/radio "boom boxes" zoomed to over 5 million units, from less than 4 million in '79.

#### Telephones show increases

Among the leading gainers in personal electronics, cordless telephones increased 67% in sales, reaching 241,000 units. Overall, 2.4 million phones were shipped, with decorator models passing standard

units to take the lead at 1.1 million shipped.

Although hand-held electronic games did well, with sales growing 24% to 16 million units, it should be noted that 1979 saw a 251% increase. Board games were up 16%, to 3.7 million units, so total non-video

electronic game shipments jumped to 19.7 million units, compared to 16 million in '79.

The LED watch is going, going... well, almost gone. The LCD grew at a 24% rate in '80, and seems firmly entrenched as a standard low-priced timepiece.

Even though language translators declined only 20% in shipments, most of these were manufacturers' close-outs. Four of the five companies that once sold them have thrown in the towel, and the fifth soon will reposition it as a more educationally oriented product.

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get a significantly better response when it promotes them at a sale price. "Bug killers aren't nearly as price sensitive as some of our other merchandise," he noted. Although most manufacturers and retailers stated that only a moderate amount of sales training was needed

was unnecessary to carry that great a selection," he reported. On the display floor, one of each model is usually turned on so consumers can see how they look in operation. Most retailers hang them from the ceiling or display them on a  
(Continued on page 56)

MERCHANDISING

## NEWSFEATURES

### CES panelists caution retailers on home computer merchandising

LAS VEGAS—Traditional consumer electronics retailers can sell personal computers, but they must:

- Get involved slowly;
- Set up a special computer department;
- Train salespeople carefully;
- Utilize a hands-on merchandising approach; and, finally,
- Recognize that the "home" computer still has not proven itself a mass-market item.

These were some of the major points made at the CES personal electronics conference. Panelists included Bernie Appel, executive vice president of Radio Shack; John McDonald, president of Casio; and Joshua Denham, president of Mattel Electronics.

"The product is complex," said Appel. "It is not an easy sale." Still, he said, electronics retailers can learn enough to sell them.

"But be careful," he advised. "Go into it slowly with a limited line of product." Most of the more than 6,000 Radio Shack stores carry a "simple" line of computers in special departments. Less than 200 outlets are "Computer Center" stores.

#### Set up computer department

Department stores and other electronics retailers should sell computers only if they are willing to set up a special store section, Casio's McDonald told Merchandising after the program. Office machine dealers that have special cash register sections are a comparable example, he said. Moreover, for department stores to be any headway, the product must be priced below \$499, he added.

In his keynote address, conference chairman and Texas Instruments vice president Bill Sick also discussed merchandising problems in all personal electronics. "Consumers must actually use these products for a few minutes to realize their full utility."

Yet, many retailers persist in making them inaccessible to potential customers and thus fail to realize their full sales potential," he said.

"With personal computers, the problem is compounded. The unsophisticated potential customer is usually faced with a choice between a friendly but unknowledgeable salesperson or a computer buff talking unintelligibly about bits, bytes, ROMs and RAMs. The result is often no sale."

#### Are computers for the home?

How soon will personal computers make real headway into the home market? Panelists acknowledged that they were not certain. "I'd love to advertise one (a 'home' computer) next year," commented Appel. "It's worth three or four points in stock. But no one has defined it yet."

On the other hand, Mattel has aimed its \$700 Intellivision keyboard and \$363 game at the home market. Besides sophisticated games, foreign language programs, exercise regimens and investment analysis add further appeal, Denham said. The automatic transfer of bank funds also could become important in the future, he added. Meanwhile, the elimination of consumer "intimidation" has been an overriding concern.

The panel discussion and give and take with retailers also touched on other aspects of personal electronics retailing.

A serious problem in all new technology, Appel commented, is that some customers can't keep up with it, even though manuals are well written. "There's nothing wrong with one-third of what comes back...if you are a small retailer that is essentially what you have to sell against giants. You can explain why the product is not bad."

—William Silverman

### P-o-p displays aid 'impulse' sales of electronic bug killer stock

(Continued from page 54)  
specially designed stand. Displaying them high on the sales floor makes them eye-catching, retailers said, adding that it gives them room underneath for stock.

#### On-the-spot, in-use demonstration

At Lindal's, the bug killers are situated near a back door. "In the summer the back door is always open and when insects fly in, customers get to see a demonstration. It's a big selling point," Seigle quipped.

Another retailer claims the positioning of a display has brought additional sales.

"We have a bug killer in operation at the front of the store across from the checkout counter fastened to a post. There's a sign underneath explaining the benefits. Shoppers can't miss it."

"This in-store display is the most effective promotion we have," said Brian Ziegler, general manager, Ace Hardware, Elgin, IL. About 150 units were sold at the four-store chain last

year.

In general, sale of electronic bug killer stands was sparse. But retailers who displayed the product on a stand seemed to do significantly better at selling the stands. "Most consumers hang their bug killers from a tree or an existing pole," Senne explained.

Customers rarely buy more than one bug killer in a single shot, retailers reported. Few customers inquired about the possibility of buying a photocell unit.

One retailer displayed a separate photocell unit on each bug killer, but he reported little success at enticing the customer into an add-on sale.

Customers have not expressed an interest in a scented bug killer product. But some salesmen suggest that customers place decaying food in the bug killer to add additional luring power to the unit.

Some retailers, who stocked bulbs near the bug killers displays, reported this to be a good add-on sale.

—Eileen Delaney

### Sony named source for Saab car stereo

LAS VEGAS—Sony Consumer Products Co. has been named the primary "factory source" car stereo system by Saab.

Beginning in February, all lines of 1981 Saab automobiles offered Sony car stereo units as options at the dealer level.

Specifically, the Sony units are offered in the Saab 900, 900-S and 900-Turbo series, both three- and four-door models.

Jeff Carsten, Sony Car Stereo's national sales manager, said Sony will supply XR-70 in-dash units, backed by both the XM-21 or XM-41 power amplifiers.

A complete Sony system is expected to add about \$750 to the price of a new Saab.

### Sam and Alan Wurtzel to be honored by UJA

NEW YORK—Sam Wurtzel, chairman of the board and founder of the Wards Co., and Alan Wurtzel, president of Wards, will be honored by the United Jewish Federation at a "Father and Son" banquet to be held at the New York Hilton Hotel on March 21.

Wards Co. is a Richmond, VA-based chain of home electronics and audio stores, including Circuit City, and the recently acquired Lafayette chain stores.

See us at Booth No. 7124, National Home Center Show.



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### WHAT WILL WE HAVE TO IMPORT NEXT, COLLEGE GRADUATES?

Ever since World War I, most of the rest of the world has come to the United States for the latest in technology. Now there's a real danger that the pendulum is swinging the other way. We're importing know-how in many fields instead of exporting it.

Unfortunately this situation will get progressively worse. Unless we

protect American colleges from inflation. For our colleges and universities supply most of the important basic research upon which technological progress is built.

So please give generously. If we keep the intellectual balance of trade in our favor the industrial balance most certainly will follow.

**HELP PRESERVE AMERICAN KNOW-HOW.  
GIVE TO THE COLLEGE OF YOUR CHOICE.**

CONTRIBUTE TO THE COLLEGE OF YOUR CHOICE. SEE LIST OF COLLEGES ON PAGE 56.

MERCHANDISING

## Craig adds 21 speaker systems to auto line

COMPTON, CA—Craig Corp. is introducing a total of 21 new speaker systems for 1981. The array of speakers has been specifically designed for first-time and step-up customers.

The top-of-the-line model R861 offers two Road-Rated component 6-in. by 9-in. coaxial woofer/tweeters with the tweeter pole-mounted for deeper bass and extended higher frequencies.

Individual woofer and tweeter terminals accommodate bi-amplified systems. Other features include a ferrofluid magnetic system, 30 mm diameter voice coil, cloth-surround and a 20-oz. precision-ground ferrite magnet. An acoustically transparent wire mesh grille, frequency range

from 30 to 20,000 HZ and 50 watts maximum power input are also included. The unit's suggested retail is \$99.95.

Model R840, Road-Rated component 6-in. by 9-in. woofers, features a 30mm voice coil, cloth surround, precision-ground molded ferrite magnet (20 oz.) and a frequency range of 30 to 6,000 HZ. The system handles up to 50 watts of power. The suggested retail of the R840 is \$79.95.

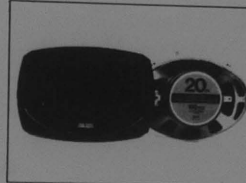
New Road-Rated entries also in-

clude the model V203, two 6½-in., flush-mount speakers featuring acoustically transparent, low-profile grilles and a power input of 10 watts maximum with 5.4 oz. magnets. Its suggested retail is \$34.99.

Model V300, two Road-Rated 3½-in. flush-mount speakers, feature durable, high-compliance cloth-surround—designed for richer, cleaner and deeper bass response, the maker claims. With the power input at 15 watts maximum, the magnet size is 5.4 oz. Its suggested list is \$24.95.

The suggested retail price range of all 21 entries is from \$24.95 to \$99.95.

Craig Corp., 921 Artesia Blvd., M. Compton, CA 90220.



Craig R861 auto speakers

## Fidelity Electronics debuts six board games

MIAMI, FL—Six microprocessor-based board games headline 1981 product introductions from Fidelity Electronics, Ltd. Additions to the Challenger Series for 1981 include Champion Sensory Chess Challenger, Decorator Challenger, Reversi Challenger, Card Challenger, Dame Challenger and Mini Sensory Chess Challenger.

New features of the Champion SCC include: it thinks on its opponent's time for faster response; time controls are user settable for both time and number of moves; and it can back up at least two moves if one decides to change the direction of his game.

The full-size Decorator Challenger chess board is made of selected hardwoods and comes complete with hand-carved playing pieces. It contains all the features of the Voice Chess Challenger.

Reversi Challenger features nine different levels of playing the ancient game. LEDs illustrate "to" and "from" locations of each move.

Card Challenger plays gin rummy, skat, cribbage, hearts and piquet. Built-in gin rummy features allow knocking at any time and selections of game variations such as Hollywood, Oklahoma and Gin Only. Future cartridges initially will include poker, Tarot, euchre, pinocle, scopon, belote and solo whist.

Dame Challenger is said to evoke complex strategies and extensive maneuvers on a 100 square checkerboard. Mini Sensory Chess Challenger features three levels of play.

Fidelity Electronics, Ltd., 8800 N.W. 36th St., M. Miami, FL 33178.



Fidelity Chess Challenger

## Compare's with's

Apples for Apples Comparison Chart	TRC-908	#1*	TRC-910B	#2*	TRC-907	#3*
AM/FM cassette radio	YES	YES	YES	YES	YES	YES
AFC-Button	YES	Built-in	YES	Built-in	YES	Built-in
Simultaneous listening/Recording off radio	YES	YES	YES	YES	YES	YES
Built-in condenser microphone	YES	YES	YES	YES	YES	YES
Input jack for optional external microphone	YES	YES	YES	YES	YES	YES
Full-function push-buttons with locking pause control	YES	YES	YES	YES	YES	YES
Auto Stop System	YES	YES	YES	YES	YES	YES
Three digit tape counter	YES	YES	YES	YES	YES	YES
External speaker jack	YES	NO	YES	YES	YES	NO
Earphone jack	YES	NO	YES	NO	YES	NO
Automatic level control for recording	YES	YES	YES	YES	YES	YES
Remote control jack	YES	YES	YES	YES	YES	YES
Loudness Switch for bass boost	YES	NO	YES	NO	YES	NO
2 way speaker system	NO	NO	YES	YES	NO	NO
Separate sliding volume/bass and treble control	YES	NO	YES	NO	YES	NO
Sleep shut-off switch	YES	YES	YES	NO	YES	YES
Dial light button	YES	NO	YES	NO	YES	NO
Triple VU meter Tuning/record/battery	YES	NO	YES	Double	YES	Double
AC/DC 6 D size batteries/line cord built-in	YES	YES 4 D size line cord detachable	YES	YES line cord detachable	YES	YES 4 D size line cord detachable
Suggested Retail	\$89.95	\$89.95	\$109.95	\$109.95	\$99.95	\$99.95

\* #1, 2, & 3 are nationally advertised name brand products

LASONIC GIVES YOU MORE PROFITS AND YOUR CUSTOMERS MORE FEATURES

You've taken a bite of their apples,



Now take a bite of ours!!

**LASONIC**

Lasonic Electronics Corporation  
1827 West Valley Blvd., Alhambra, CA 91803 (213) 281-9057



A GRALLA PUBLICATION

# Merchandising

APRIL 1981

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS



# ANNUAL SOFTWARE WARE REVIEW

Travel models  
generate surge in clock sales  
Computer enables retailer  
to reduce parts stock  
by 75%

## features colored lids

five clear acrylic containers  
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design to save counter  
each sports an interlocking  
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on containers are available



ection storage containers

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d'oeuvres ensembles,  
cake bells and other serv-  
ories are also included in

ducts, Ltd., 601 Bound  
M. Middlesex, NJ 00846.

## by Nordic Ware as roasting pan

APOLIS, MN—Nordic  
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doubles as a covered



popper/covered roaster

for chicken or roasts.

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re, Highway 7 at 100,  
is, MN 55416.

## ANNUAL SOFTWARE REVIEW



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## Stocking all videogame cartridges boosts retailers' sales

NEW YORK—Threatened by shrinking margins and an increasing number of outlets selling videogame cartridges, some merchants have found they can hold their own by:

- stocking a wide variety of cartridges.
- stressing in-store presentation.
- using newspaper ads and direct mail to publicize new releases and
- sometimes turning to local distributors to maintain a healthy in-stock position.

According to retailers contacted by *Merchandising*, it now appears that videogame cartridge margins could shrink to about 25 percent by the final quarter of 1981. For the past few years, most merchants have made more money selling software than hardware.

But, as cartridge sales continue to as much as double every year, a proliferation of vendors has some retailers concerned about maintaining market share and margin.

### Margins drop

"The margin has decreased from 30 percent to 25 percent in the past year as drug stores, even supermarkets, have gotten involved in the category," reported Steve Switzer, owner of Electronic Fantasy in Cupertino, CA. "The supermarket can get \$21 for Space Invaders, while

I normally get \$29. It's a pretty disappointing business; you have to give the hardware away."

One advantage Electronic Fantasy has over some of the competition is the wide variety of cartridges it stocks: roughly 17 to 20 from Mattel, 40 by Atari and six of Atari-compatible Activision's. About \$5,000 keeps enough sku's in stock to satisfy customer demand for both hits and "dogs." This figure more than doubles before Christmas, when two-thirds of sales still occur, Switzer continued.

New titles are shown face-up in a four-shelf case that stands near the front of the store to generate impulse sales. An Activision poster hangs nearby.

Newspaper ads and direct mail, partly paid for with co-op dollars, help to publicize new titles, Switzer said. A one-color, four-page flyer is mailed every few months at a total cost of under \$150.

Like some other retailers, Switzer depends on an area distributor to keep him stocked. "A disappointed customer may not come back," he pointed out.

On the other hand, the Alexander's catalog showroom chain, headquartered in Greenville, SC, will not change company policy to do likewise.

"Business continued to increase,

and we sold roughly twice as many cartridges in 1980 as the year before," reported buyer J.D. Walters. "Of course, we could have sold more, except that we order big quantities way in advance, and never go through distributors—so we ran out."

"Margins so far are over 25 percent," he said, "although I'm sure they will drop as more and more people get into this business. We use the factory-supplied merchandising units, and keep cartridges under glass, face up if possible." The showrooms stock almost all the Magnavox and Atari software.

About one-half are sold between October and Christmas, Walters said, many when the units are purchased, and others as gifts. Still, "The business is definitely less seasonal than a year ago."

### Advertised in supplements

The Boston-based Zayre discount chain has carried Atari cartridges since last December, said buyer Joanne Mann. "Business is less seasonal now because cartridges are included in four-color roto ads in the Sunday papers," she added.

The stores stock nearly every title and display them in glass cases with no point-of-purchase aids. Usually, the cases are located in the stores' "Brand Name Value" centers, along-

side other higher-ticket electronics.

At Gimbel's in New York, "It's hard not to be enthusiastic because they bring so many customers into the toy department," said assistant buyer Vincent Esposito. Plus, "We've never had to give them away. If someone spends \$150 for a video game, \$28 is not a lot to make the game twice as interesting."

In the past year, both hardware and software sales "have easily doubled." Yet, "We still must sell at least five or six cartridges to get back a little bit of margin." This year, he predicted, "Asteroids will blow the market away."

Heavy foot traffic is one reason a well-known northern California department store chain finds no resistance to a 33 percent profit margin for cartridges. It typically sells three with a hardware purchase, and one of each brand is always being demonstrated in the personal electronics section.

Last year, about three-quarters of the stores' cartridge sales took place before Christmas, but the buyer expects a roughly 60/40 percent split this year. Expanded newspaper advertising schedules show game hardware in front of a television set with manufacturer artwork dropped on the screen. "Otherwise it washes

(Continued on page 28)

CA. 95052  
(408) 987-1000  
Mid America Plastics, P.O. Box 1713, Santa Monica, CA. 90406  
(213) 705-1024  
Mona Co. of Canada Ltd., 112 E. 7th Ave.,  
APRIL, 1981

hout B.V. Molenstraat 37, Postbus 82, 4900  
AB Oosterhout NB, The Netherlands (Vcb)  
Panasonic, 1 Panasonic Way, Secaucus, NJ,  
07094  
(201) 348-7000  
Paramount Home Video, 5451 Marathon St.,  
Hollywood, CA. 90038  
(Vcp)

Sanyo Electric Co., 1200 W. Artesia Blvd.,  
Compton, CA. 90220  
(213) 537-5830  
Scorpio Etc., 22714 Ventura Blvd., Wood-  
land Hills, CA. 91364  
(213) 885-6692  
Select-A-Tape, 8750 Holloway Dr., Los  
Angeles, CA. 90045  
(213) 885-6692

Videovision, 600 Madison Ave., New York,  
NY. 10022  
(212) 753-8596  
Video-X-Pix, 430 W. 54th St., New York, NY,  
10019  
(212) 489-8156  
(Vcp)

(Continued on page 50)

# INTRODUCING THE MONEY MACHINE.

(OR, HOW YOU CAN MAKE A MILLION DOLLARS SELLING ODYSSEY<sup>2</sup>.)

Start with a simple premise, namely that once a customer buys an Odyssey<sup>2</sup> master unit, he's going to buy Odyssey<sup>2</sup> game cartridges.

That's why we call Odyssey<sup>2</sup> The Money Machine.

## HERE'S THE MILLION-DOLLAR FORMULA:

If each money machine you sell generates only 17 cartridge sales over four years, your gross profit on just the cartridges from that single money machine will exceed \$140.

When you sell 1,786 money machines, the cartridges will generate over \$250,000 gross profit cash, folks.

And when you do this for four years, you have a cool \$1 million in cartridge profits.

Sell 1,000 money machines a year for four years and the cartridge profit can make you half a millionaire. Sell only 500 and you'll still gross over a quarter of a million dollars.

And that doesn't even count the profit from Odyssey<sup>2</sup> master units themselves or impulse sales gained from all the repeat traffic.

## NEW ODYSSEY<sup>2</sup> MASTER STRATEGY SERIES™ WILL KEEP YOU GOING.

"The Quest For The Rings" is part of our new Master Strategy Series. The first of a new generation of video games that combine game-board strategy, computer key-board interaction, and on-screen video action.



The Master Strategy games are high-traffic, high-profit products and that's why we've got more of these games on the way for you.

And with 40 sports, arcade, and educational games

to choose from, you'll have plenty for all age and interest groups. To keep those profits coming year after year.

## NATIONAL AND LOCAL AD AND MERCHANDISING SUPPORT. THE BIGGEST EVER.

To support your commitment to Odyssey<sup>2</sup> we'll soon be launching the largest effort we've ever devoted to this product. A heavy campaign to make people more aware of the full-feature, alphabet and number keyboard benefit of Odyssey<sup>2</sup> to keep it a strong demand line.

You ought to cash in on all the excitement! Mail in the coupon for more information. And get in on the million-dollar profit opportunity with The Money Machine.



- ☐ Yes. I want to make a million dollars selling Odyssey<sup>2</sup>.
- ☐ No. I am not interested in making a million dollars at this time.

Dealer Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone \_\_\_\_\_

Mail to: Odyssey<sup>2</sup> Headquarters, P.O. Box 6950, Knoxville, TN 37914



## onth

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300 campaign will  
nued on page 29



campaign will be started second spots will run 36 of Chicago's leading FMouncing the addition of the rental collection and rental concept. she \$5,000 campaign will (Continued on page 29)

MERCHANDISING

Dealer Name

Address

City

Phone

State

Zip

Mail to: Odyssey<sup>2</sup> Headquarters, P.O. Box 6950, Knoxville, TN 37914



## PRERECORDED VIDEO REPORT

### Dealers voice mixed reaction to RCA videodisc introduction

NEW YORK—Dealer reaction to RCA's official unveiling of its SelectaVision Videodisc system ranged from enthusiasm to skepticism as retailers cleared shelf space for the latest entry in the prerecorded video battle.

One store operator contacted by *Merchandising* called the system "the greatest thing since the paper bag," while others politely named it "the product of the future," predicting success in five to 10 years.

Retailers generally gave the system high marks for its simplicity and its low price point. They said the huge promotional effort RCA had put behind the product could help improve electronics sales in general.

However, they also pointed out that hardware shortages might develop early in the marketing effort, turning off consumers who were eager to buy, but could not. Consumer confusion over the different formats was also mentioned as a possible sales deterrent. With RCA on the market, two incompatible videodisc systems are now available, and a third is due in the fall.

#### Debuted in March

On March 22, 15,000 RCA videodisc players were placed on sale in 5,000 retail outlets across the country. Heralded by a \$22 million advertising campaign, the introduction was preceded by a \$150 million research and development effort which produced the CED (capacitance electronic disc).

One Atlanta retailer pointed out, "The opening hysteria will have nothing to do with the long-range



**KICKING OFF** the introduction of its videodisc system, RCA gathered dealers in NBC's Studio 8H in New York City (right) for a demonstration. The event was beamed to 70 other cities. Herb Schlosser (left), RCA vice president of program-



success of the disc. However, the introduction will be good for business in general, and good for color television sales specifically. Most people who invest in the videodisc will want a good TV set.

Stan Berman, general manager of Video Distributors of New England, a wholesaler near Boston, commented that RCA might have put some of its advertising budget to better use offering dealers assistance with pricing and promotion. However, he

did predict long-term success for the system.

"I think it will be a success," he said. "But whether this will happen in two years or 10 is the question. I don't think it will happen as fast as RCA hopes."

Berman indicated he's concerned that the limited number of players that were initially available would cause problems. The early "shortage" might create a large demand for the product, forcing anxious custom-

ers to leave the store empty-handed, and possibly disillusioned.

The fact that the RCA system does not offer stereo sound is considered detrimental by some retailers, including Carl Forrest, president of The Movie Store, the retail arm of Video Distributors. He said this point could alienate some customers, unless RCA guarantees a free adapter or change-over to stereo, when it's available in 1982. Both laser systems and the VHD prototype have stereo.

Forrest also pointed out that the number of incompatible videodisc systems may confuse customers, and cause a number of problems for retailers, as well. "How many dealers have the kind of money needed to stock all three videodisc formats?" he asked.

Another retailer questioned the viability of the entire prerecorded video concept. He said that as cable programming becomes available to more homes, consumers may think twice about spending money to buy yet additional alternative programming.

#### Proponents speak out

More enthusiastic was Alvin Perlman of Zemel Brothers, Connecticut, who called himself "one of the greatest proponents of the videodisc. I'd put all my money into its success," he said. "This is another fantastic opportunity for people who have the vision to know what will be good."

Perlman said that the simplicity of the RCA unit "will capture the imagination of the viewer hooked on TV and movies, and will remove the bad feelings many have concerning the optical systems."

Mike Stapleton, Broadway department stores, Los Angeles, said the RCA system is the product of the future. And Mark Fisch, Video World, Bellevue, WA, simply called it "the biggest thing since the paper bag." He pointed out that so many RCA executives have staked their careers on the project, the energy level is so high, the system is bound to succeed.

—Pamela Golden

### VHD system's debut delayed until 1982

HOLLYWOOD, FL.—The third system in the videodisc war, VHD (very high density), will not be introduced until January 1982, a delay of several months.

In addition, Sharp has announced that it will introduce a VHD videodisc system in the U.S. next year. This contradicts earlier reports that the firm would adopt the CED (capacitance electronic disc) format.

This news was released during the Eleventh Annual Spring Seminar of the International Tape/Disc Association in Hollywood, FL. At the same meeting, Fuji revealed that it will introduce a four-hour VHS videocassette for the European market this spring. It will also be adapted for use

in the U.S. in the near future.

The VHD videodisc system, originally scheduled to be in the stores this fall, will not debut until January of next year.

U.S. marketers who will be using the system include: JVC, General Electric, Quasar, Matsushita (Panasonic) and, now, Sharp.

According to Stan Hametz, Panasonic, the VHD Programs and Manufacturing Organization decided it would be beneficial to wait and market the disc at the beginning of a new year.

Although he admitted it would be somewhat detrimental to miss Christmas sales, Hametz said the choice had to be made.

### Advent considers filing Chapter 11

CAMBRIDGE, MA.—Advent, the pioneer in projection television, announced it may have to seek protection under federal bankruptcy laws. In the fiscal 1981 third quarter, the company suffered a loss of \$1.7 million as sales fell to \$6.4 million from \$8.9 million last year.

According to Bernard Mitchell, president and chief executive officer, Advent is still negotiating for new financing. Mitchell said company representatives are speaking with independent investors and Advent's current investors, as well as major corporations that could serve as potential parents to the ailing firm.

However, if investors aren't found

soon, Advent said it will have to seek protection under Chapter 11 of the federal bankruptcy code.

Mitchell claimed he knew the company was having financial difficulties when he came on board a little over a year ago. "Advent had too high an overhead and too small a product line to support it," he explained. He also cited successive quarterly losses, the construction of a large factory without the product to support it and the development of products that did not have large market potential.

Another problem facing Advent is the entrance of major manufacturers into the projection television market.

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## PRERECORDED VIDEO REPORT

### RCA releases 100 videodisc titles; 25 more due in May

NEW YORK—A catalog of 100 videodisc titles has been rolled out by RCA to accompany the introduction of the SelectaVision VideoDisc system. Programs range from movies, concerts, Walt Disney features and television shows to children's programs, drama and how-to demonstrations.

In addition, RCA is planning to release another 25 titles in May followed by 25 more in August.

According to Herb Schlosser, vice president of programming for the disc, all the titles in the catalog were scheduled to be in stores on time for the hardware's debut March 22. He said he does not anticipate hitting the same stumbling blocks as other videodisc companies that have come up short in software.

The titles are almost all original with RCA. In fact, only four—Love Story, Saturday Night Fever, Heaven Can Wait and Walt Disney's Kidnapped—are also in the MCA catalog.

#### Titles listed

The first 100 titles include the comedy movies: MASH, The Muppet Movie, A Night at the Opera, Heaven Can Wait, Foul Play, Starting Over, The Bad News Bears, The Philadelphia Story, Adam's Rib, Movie Movie, Paper Moon, Ninotchka and The Seven Year Itch.

The adventure films are: Butch Cassidy and The Sundance Kid, The French Connection, Patton, High Noon, The Boys From Brazil, The



ROLLING OUT THE TITLES, RCA has introduced 100 videodiscs to play on its SelectaVision system. Another 25 are due next month.

Longest Day, Tora! Tora! Tora!, The Dirty Dozen, Escape From Alcatraz, Shane, Sands of Iwo Jima, The Black Stallion and Stalag 17.

Musical choices include: Hello Dolly, Saturday Night Fever, Grease, Fiddler On the Roof, Meet Me in St. Louis, Singin' In The Rain, Show Boat, Easter Parade, Gigi, On the Town, Lady Sings The Blues and G.I. Blues.

The science fiction selections are: Star Trek—The Motion Picture, King

Kong, Planet of The Apes and The Thing.

Mystery movies are: North By Northwest and Laura. The drama titles are: Citizen Kane, The Godfather, The Graduate, Casablanca, Rocky, The Ten Commandments, The Hunchback of Notre Dame, Love Story, Looking For Mr. Goodbar, The Longest Yard, Romeo and Juliet, Hud and Sunset Boulevard.

The catalog also features nine Walt Disney titles, including 20,000

Leagues Under The Sea, Love Bug, The Bears and I, Candleshoe, Kidnapped, Disney Cartoon Parade-Vol. I, The Absent-Minded Professor, The Great Locomotive Chase and Old Yeller.

#### Rock n' Roll

Musical performances include: Blondie—Eat To The Beat, The Grateful Dead in Concert, Gimme Shelter, To Russia With Elton and The Harder They Come.

The four sports selections are: The Big Fights-Vol. I, Muhammed Ali's Greatest Fights, The New York Yankees' Miracle Year: 1978, Super Bowl XIV Souvenir Video Album and College Football Classics-Vol. I.

From the best of television are: Star Trek I, Star Trek II, The Count of Monte Cristo, Tut: The Boy King/The Louvre, Our Town, Jesus of Nazareth, Victory at Sea, World of Wildlife and The Undersea World of Jacques Cousteau-Vol. I.

For children there are: Charlotte's Web, Race for Your Life Charlie Brown, A Charlie Brown Festival, Heidi, The Gold Bug/Rodeo Red & The Runaway, Terrytoons-Vol. I featuring Mighty Mouse and As We Grow.

Drama and performing arts selections include: An Evening with The Royal Ballet, Giselle, Henry V, Hamlet, The Red Shoes and Clarence Darrow. The how-to discs are: Caring For Your Newborn—Dr. Benjamin Spock and Julia Child—The French Chef-Vol. I.

Future releases are slated to include: Ordinary People, Raging Bull, Elephant Man and Airplane, all of which were box office hits.

### Videogame software margins could slip to 25 percent

(Continued from page 17)

out," he said. New cartridges also are listed.

"It's like razors and razor blades," commented Jon Rodman, buyer for Gregory's discount stores in New Jersey. "You give the game away at less than 20 percent margin and make it back on the software, at 30 to 33 percent."

Ironically, the well-known New York hifi and television product store,

Borger's, makes "maybe 20 percent on cartridges, because they're so widely discounted." Manager Chris Clark said, "We don't make money in games, and cartridges are not worth the trouble because we would have to stock a lot. I doubt we'll be giving them more attention."

#### Shortage reported

Retailers more readily agreed about what they said was a product shortage late last year.

However, according to an Atari spokesman, "We delivered both the Video Computer System and the cartridges. They underestimated and sold through."

He continued, "Starting the first quarter 1980, this was no longer a seasonal business." First-half consumer promotions and year-round television spots will enhance the new image, according to Atari.

Activision president Jim Levy commented, "Sometimes the smaller video stores and electronic centers go through distributor channels and have more product than the large mass

merchandise and catalog showroom chains, who may run out because they order in huge quantities from the manufacturer way in advance." According to Levy, cartridge sales have increased from 4.5 million units in 1979 to 10 million in 1980; he predicts 18 million will be sold in 1981.

In a change from last year, Mattel has split the merchandising year in two. All orders booked by April 15 will be shipped as ready. The second half, written after June, will be "scheduled" shipping. Sales vice president Richard Hoag added that Intellivision sales ran about 40 percent ahead of projections last year and that stepped up production would meet a projected doubling of business in 1981.

Magnavox vice president-special markets Jerry Michaelson said, "We filled all orders, but could not satisfy all re-orders made close to Christmas—our sales plans were carried through." Production has been increased this year, but "no one knows how strong business will be."

—Bill Silverman

### Video Village will rent VCR's for \$75 weekly

(Continued from page 20)

cameras along with the Atari and Mattel video games for "the younger crowd."

Accessories are also featured, including covers, splitters and switches, Allstop head and tape cleaners and blank tapes. No television sets will be sold.

Bernstein rents VCR's for \$75 per week, but will not do the same for videodisc hardware or software. In addition, while he will attempt to carry RCA videodisc players, he will not offer the Magnavox or Pioneer models, noting that they have not yet made strong commitments to software.

Video Village encountered some problems opening. Two ceilings failed to meet the town's fire regulations, and a third had to be installed.

But Bernstein is confident his location and his commitment to serving the community's needs will help produce strong sales.

—Pamela Golden

### Media releases 10 cassette titles

LOS ANGELES—Ten videocassette titles have been released by Media Home Entertainment which has also added six programs to its Spanish catalog.

New releases include the feature films: Can I Do It, Til I Need Glasses?, starring Robin Williams; The Death of Che Guevara, The Wicker Man. Children's titles include: Captain Future in Space, Little

Lulu, Angel, Fables of the Green Forest and Spunky and Tadpole Adventure. Two rock concerts, James Brown Live in Concert and Alice Cooper and Friends, are also available.

Spanish titles include: Sundown, I'm Lonely Without You, The Death of Che Guevara, I Don't Care For Women, Wife Mistress and Girls Review.

### Columbia members rent tapes by phone

(Continued from page 24)

but not generate \$5,000 in sales—but pointed out advertising is necessary "for the aura of elitism and snob appeal."

In fact, snobishness plays a major role in promoting the club. To enhance its appeal, Kahn said, non-members are told that certain tapes "are reserved for members only." No reservations are accepted from non-members, but members can reserve tapes by phone.

Non-members are also required to leave a \$50 deposit for every tape they rent, and are allowed to take only three at a time. Members get up to five.

Rentertainment members receive a monthly newsletter (with their invoice) which reports club news and lists new titles and releases for the month ahead.

Kahn pointed out, however, that no matter how big the renting division grows, "It is the smallest part of our business, and located in the back of the store on purpose."

Columbia's Rentertainment sign—complete with flashing colored lights—is visible from the store's entrance. But Kahn pointed out he doesn't want to give the logo too much play. At the end of two years, he maintained, it will be time to move on to something new.

—Rhea Dawson



## NEWSFEATURES

# Electronic games under \$35 spark interest; Toy Fair buyers seek inexpensive closeouts

NEW YORK—Second- and third-generation electronic games wearing retail prices under \$35 continued to generate the most interest among retailers at this winter's American Toy Fair.

New, more-expensive units were also singled out as potentially hot items, although some buyers were skeptical. One individual commented that such expensive electronic games don't belong in the toy department, while another called them "grandmother gifts," which may not be able to produce much volume.

In lower price points, the retailers were looking for manufacturers' closeouts being offered by some distributors. Buyers coming from less-affluent areas were particularly interested in keeping prices low, while those from more prosperous communities reported price is not as important as play value.

Virtually all the retailers were being more cautious about what they bought and how much they spent, reporting reductions of up to 65 percent from last year's outlays.

Although *Merchandising* research shows 16 million hand-held games were shipped last year, a 24 percent increase over 1979, this contrasts with a 251 percent jump in sales the year before. The slippage led suppliers to move to reestablish sales momentum by liberalizing dating packages and increasing promotional backup.

In addition, manufacturers sought to spark interest in newer categories, such as electronic learning aids, programmable units and other games with improved play value.

"I've cut buying at the New York show by 60 percent," reported Dan Vevone, The Winton Shoppe, a Weedsport, NY, department store. He favored \$20-\$40 games, keeping light on the low end.

"I'm impressed by the sophistication of the higher-priced games to a certain extent. Yet, over \$40 becomes a grandmother's gift," the 33-year Toy Fair veteran added.

According to Leon Globman, president of Globman's, a Virginia department store chain, over-\$40 games belong in the electronics area rather than with toys. "We won't sell computer chess and backgammon in the toy department, which is almost

self-service," he commented.

Electronic learning aids would sell best in the toy area, yet would benefit from demonstration. "Point-of-purchase displays will be a great help," Globman added.

Like some other retailers, Globman was prepared to invest in manufacturers' closeouts available from distributors. "Some younger kids are not too sophisticated, and not everyone can afford to spend a lot of money," he said. "Some games can be priced at under \$10. There's a definite market for price-point electronics."

An inner-city Washington, D.C., retailer reported that basic, low-end games continue to move fastest. He, too, takes advantage of distributor prices when they are available. On the other hand, in affluent Cedarhurst, Long Island, "price is not as important as play value," according to Steve Schiff, owner of Prime Time Video.

Meanwhile, most buyers were sticking with recognized firms. "We want the backup and need to be sure the companies will be here next year," said Jon Rodman, buyer for Gregory's discount store, Mount Holly, NJ.

Rodman was "concentrating on low-priced games, with a small selection of higher-priced units to round things out." In total, he bought one-third as many units as at last year's show. "The turnover on an under-\$25 game will enable us to be a little more profitable," he added. Still, "TV games and computer systems are where the real growth potential is."

### Manufacturers offer dating

Major manufacturers took varied routes to attract buyers. Sports game leader Coleco extended show dating to Oct. 10 from net 30, and allowed reorder net to be payable in 60 days instead of 30.

Most of its line will receive third-quarter network television advertising exposure, as well as fourth quarter. Sports games were scheduled to be promoted in winter, and baseball, again in spring. Customer rebates also are planned.

Coleco introduced three new sports games. The highest-priced one is a programmable unit that will retail this



ELECTRONIC learning aids drew buyer attention at Toy Fair, reported Coleco vice president Mike Katz.

summer at about \$50. It accepts four cartridges at \$15 total cost.

Four other games, including the Quiz Whiz Challenger, selling at \$39 this spring, fall into the "play and learn" category. "One of the continuing values for electronic products is making learning fun for children," contended vice president Mike Katz. "This type of game will become a staple, a continuing influence."

Going one step further, Mattel Electronics sales vice president Richard Hoag predicted that within four years both the "education" and "adult action" categories will outsell sports games. They appeal to both men and women, he pointed out. The Children's Discovery System, to retail at about \$125, is a programmable computer which can be used alone or with a supporting system of \$20 modules. Eight subjects are scheduled for 1981, with more planned for future introduction.

Mattel foresees a "tough year in lower-priced models because of dumps by manufacturers of price-point games." Its new, high-end, self-contained games will be heavily advertised upon introduction, Hoag said. World Championship Football, to retail at about \$70, will be shipped in May, and World Championship Baseball, in June. Also, a \$55 adult "adventure" game, Dungeons and Dragons, will debut with a heavy campaign in the late spring.

Although not an exhibitor, Unisonic recently introduced a "talk back" children's computer that is tied into the Walt Disney family of stories and characters. It carries a \$129 suggested retail, with 40-minute cassettes selling at \$8.99. Twenty-four are now available, and 54 will debut by year's end. "The key to selling this type of product is software," said a spokesman.

### Educational models debut

Also a non-exhibitor, Tiger Electronic Toys recently announced the K-2-S talking, learning computer. The \$89-\$99 model offers math, spelling and reading readiness activities in a compact unit with a 1,500-word

vocabulary. It will be shipped in May.

Retailers continue to like the Texas Instruments line of \$85 learning aids because they can make a high profit margin, contended divisional merchandising manager Randy Robinett. "The consumer appeal of Speak & Spell, Speak & Math and Speak & Read is the lasting value of making learning fun, as opposed to buying a fun game," he said. However, the category has suffered due to lack of advertising, he continued.

Atari recently reentered the self-contained game market with 3-D, holoptic games and cartridges, to be shipped in August. "Consumer value is the major point of the games, which at \$60 to \$79 in the market cost less than half as much as the video computer system," said consumer division product manager Bob Gaines.

Parker Bros. introduced only one new electronic game, Reflex, priced at \$29.95 and available in the summer. The object is to control speeding balls of light as they race around a circular track. Previous games were priced at \$47, \$34 and \$33, and the company is "trying to position" ourselves in a broader range," according to a spokesman.

Similarly, Ideal Toy Corp. introduced one electronic item, Skywriter, at about \$30 retail. Its alphanumeric keyboard arranges LED's to spell a message as a "wand" is waved. "I see a shakeout all the way up and down the line," commented director of product development Carl Eisenberg. "The market is oversaturated." "Ideal has adjusted sales terms and policies to meet the needs of the trade," he continued, citing the cost of money and other problems. He would not go into further detail.

### High-end units sell

Other firms bank on high-end and programmable units to help see them through. Besides Mattel, Atari and Coleco, Entex and Milton Bradley also are among these suppliers.

"Parents will buy higher-end games because there is more play value," maintained Entex president Tony Clowes. Among these are Galaxian 2, at \$40-\$50; Do As I Say, a game with voice synthesis, in the \$60 range; and Escape 1000, a 3-D electronic maze using LCD technology, in the mid-\$40's, all soon available.

For the first time, Entex has "liberal" dating, Clowes revealed. "This is new for us." He, also, declined to be more specific.

The new, top-of-the-line adventure game for Milton Bradley is Dark Tower, a "mystical" electronic tower with a light-up screen, full-color picture display and electronic sounds. The combination computer/board game retails for about \$39-\$49. Also available next month, Omni entertainment center quizzes up to four players on a variety of subjects via eight-track cartridges. The console retails for about \$120, while the cartridges sell for about \$8.

"Electronics are here to stay, but just because the product is electronic does not mean it will sell," commented vice president David Wilson. "Those days are gone." Above all, consumers want to be entertained; that ability, along with heavy fourth-quarter advertising, is what moves product, he said.

—William Silverman

## Retailer builds sales on expertise

(Continued from page 19)

production end made him a natural candidate for those seeking advice.

Ordway started taping local sporting events and airing them on cable television. In addition to taping commercials for local outfits, Video Awareness's current project is a 13-week one-hour program on hunting, fishing and camping being aired on the local CBS affiliate.

Production accounts for 10 percent of the store's total sales volume, rental for 15 percent, industrial sales for 50 percent and consumer sales for 25 percent. Customers were almost exclusively industrial at the onset. Interestingly, industrial customers are mostly buying consumer, rather

than industrial, video products. Noting that Rochester is the home of Eastman Kodak and Xerox, Ordway said many of the industrial sales come from these companies. He expects the total dollar volume of consumer and industrial sales to be comparable in two years.

The store also does a good business in blank tapes, even though it no longer carries prerecorded tapes.

Rental of equipment, mostly to industrial sources, is expected to grow considerably during the next two years. To aid rentals, one salesperson calls hospitals, companies, hotels, motels, etc., to explain the store's rental policy.

—Eileen Delaney





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Jack Sauter has been elected a  
group vice president, RCA Corp.  
board of directors. He directs both the  
company's Consumer Electronics  
Division and the Distributor and  
Special Products Division. Sauter  
reports to executive vice president  
Roy Pollack.

Donald LaBrenda has been pro-  
moted to vice president-home en-  
tertainment product marketing, Fisher  
Corp. This position has been estab-  
lished to provide centralized direction  
of Fisher's expansion into the VCR,  
TV and portable hi-fi fields this year.

## PROMOTION PIECES

### Ernie Banks to promote Amana, Speed Queen products

Ernie Banks, the former first baseman for the Chicago Cubs, is going to bat as the Chicago representative for Amana Refrigeration and Speed Queen. He will promote their products in radio and newspaper ads, make retail show-room appearances and attend retailer meetings.

Corning has introduced its spring price promotion program for the Pyrex glass bakeware line. Five clear glass ovenware products, a three-piece decorated opal bakeware set and two clear glass servers are available at 23 percent savings. The items include a two-quart loaf dish, a 1½-quart oblong baking dish, a one-quart covered casserole, a four-cup liquid measuring cup and a 10-ounce deep pie dish. Each carries a list price under \$3. The bakeware set includes one-pint, 1½-pint and one-quart round covered casseroles. The suggested list per set is \$10.

A three-dimensional, life-size cut-away is Altec Lansing's newest dealer promotion. The baffle of a Model 6 speaker is one side of the triangle, the second is a mirror and the third is clear plexiglass. Callouts silkscreened onto the mirror describe the components of the system. By pushing a button, the automatic power control can be demonstrated visually. The display is on a three-foot pedestal. Dealers can buy the display, charge it

against co-op funds or participate in special display promotions.

The Demolition Derby TV commercial used to advertise Kraco's car stereo line has won first place in the automotive category in the U.S. Television Commercial Festival. The theme of the ad is: Down the road you'll be glad it's a Kraco. It will continue to run through the summer.

Sales were doubled at Stereo World, Fort Meyers, FL, during a five-day Kenwood High Performance Week promotion. The event was tied in with the 1981 Camel GT Series. Promotional material used by the audio specialist included window and wall banners, point-of-purchase displays, T-shirts, sun visors, advertising materials and press releases. Newspaper and radio ads promoted a contest offering prizes of two VIP tickets to the car race and \$100. Stereo World reported twice as many sales for the period compared with the same five days a year earlier.

Charmglow has introduced a new commercial for its line of gas grills. The spot features a pair of magical, floating hands that demonstrate the cooking features of a grill.

The Weber-Stephen Products Co. has divided its service organization into two separate groups. One will serve sales reps and retailers, and the other will serve the customer directly. The goal is to maximize turnaround.



#### Memorex wins 1981 POPAI award

NEW IN-STORE PROMO from Memorex is a dump bin that won first prize in its category at the Point of Purchase Advertising Institute 1981 awards competition. Showing off the bin are (left to right): Kurt Garehime, Memorex credit manager; Elizabeth Nash, Memorex sales promotion manager; and Doug Glen, Flair Communications, the company that designed the bin.

## MANAGEMENT MOVES

### Radio Shack taps Walker; RCA promotes Sauter

Donald Walker has been appointed buyer of telephone products, television antennas and accessories, Radio Shack. His background includes three years as a communications technician in the U.S. Army and seven years with the Western Electric Co. and the federal government in the telephone communications field.

Arthur Hausman, a director, president and chief executive officer of Ampex Corp., has been elected to the additional post of chairman of the board of directors. He succeeds Richard Elkus, who has retired as a director and chairman of the board.

Kendrick Melrose has been named president, Toro Co. Toro chairman David McLaughlin has resigned in order to become president of Dartmouth College in Hanover, NH. Stephen Keating, 62, newly elected chairman of Toro's executive committee and former chairman of Minneapolis-based Honeywell, said he expects to play an active role in Toro's new organization.

Jack Sauter has been elected a group vice president, RCA Corp. board of directors. He directs both the company's Consumer Electronics Division and the Distributor and Special Products Division. Sauter reports to executive vice president Roy Pollack.

Donald LaBrenda has been promoted to vice president-home entertainment product marketing, Fisher Corp. This position has been established to provide centralized direction of Fisher's expansion into the VCR, TV and portable hi-fi fields this year.



Sauter

Gershman

Boyhan

Cavanagh

Rodgers

Paullin

Lester Gigax, president, has been elected vice chairman, Rubbermaid, Inc. Gigax, 62, will continue as chief operating officer. The office of president is being left vacant temporarily. Rubbermaid said Gigax plans to retire at year-end. He joined Rubbermaid in 1951 and was elected president and chief operating officer in 1974.

Norman Murdock has been promoted to merchandising manager for home freezers, Whirlpool Corp. He replaces James Workinger, who was named merchandising manager for room air conditioners.

Thomas Brookover has been elected vice president, North Central Territory, Appliance Buyers Credit Corp. ABC is a wholly owned finance subsidiary of Whirlpool Corp. Brookover replaces George Walbolt, who was recently promoted to vice president, sales and new business development.

Mortimer Gershman has been appointed executive vice president,

Seiko Time Corp., the U.S. marketing organization for Seiko brand watches and clocks. Gershman had been vice president of sales since joining Seiko in August 1978, after 4½ years as president and chief executive officer of Zenith Movado Time Corp.

Jerry Martin has been elected vice president-merchandising. Sam Solomon Co. Martin, 44, works in a dual capacity with Maurice Hopkins, who also was recently elected vice president-merchandising.

Gary French has been named executive vice president, Boekamp, Inc. Other appointments include Roger Smith, vice president/sales and marketing; Thomas Smith, vice president/manufacturing; Herbert Boekamp, vice president/research and development; Jack Daleo, vice president/personnel and compensation; Michael Coon, C.P.A., vice president/finance, and Joseph Montgomery Jr., general counsel and assistant secretary.

Rene Haldimann has been elected

vice president and general manager, Robertshaw Controls Co., Indiana/New Stanton division at New Stanton, PA. The newly consolidated facility produces gas, electric and timing control parts for the appliance industry.

Kazuo Suzuki is the new director of market planning for Kenwood Electronics. He comes from Trio-Kenwood in Tokyo, the parent company, where he was responsible for marketing and sales in Central and South America, Africa and Asia, excluding Japan. Tom Westover, formerly national sales manager, is now director of marketing for car stereo. Pat Hart moves from technical sales coordinator to product merchandising manager.

Chris Boyhan has been appointed director of marketing and sales, IPL Products, Ltd., manufacturers of designer plastic kitchen and serving ware.

Robin Anderson has been appointed

(Continued on page 48)

dual-burner gas grill

MERCHANDISING

APRIL, 1981

overshadowed by food processors, blenders and other small electric appliances. She is, however, entering the area again in late spring because travel alarms have always drawn higher margins than other small electronics, Johnson said. While she feels they would do well in stationery or men's furnishings percent drop in quartz alarm prices is responsible. "Suppliers are pricing the handwinds out-of-business," said one buyer with a southwestern discount store. Price increases of 10 to 15 percent already this year, he said, have resulted in slipping margins for key-winds and plug-ins. —Bill DeSiena

**Mastercrafters CLOCK CORPORATION**  
1642 N. Besly Ct. Chicago, IL 60622  
(312) 243-4100

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## Phonemaster ne capability

R CITY, CA—Phone-athcom provides the user capability for cordless station. Its functions include automatic dialer with 20-digit sk calculator, and built-in alarm. features last number re-on a busy number, for-



ter cordless telephone

and also times them. up to 16 remote (BSR). Some 128 security no co-channel interfer-

er displays all dialed dial a predetermined specified time and pro-ity auto dial for fire single-line version, the is also available. ic., 24105 S. Frampton or City, CA 90710.

## Alert radio orm alarm

Weatheralert has in-arm-equipped weather omatically tunes in to expanded National Atmospheric Admin-AA) Weather Radio

network is the official ag hookup of the U.S. 350 operational sta-local instant weather



A-25 weather radio

arning information most AM and FM ng to Weatheralert, TA-35 picks up the alarm code signal 40 to 50 miles of a ster.

res crystal-controlled channel tuning. An kit extends the re-80 miles.

a chrome top, metal rain-like finish on a. It retails for \$54.95. 339 S. Dearborn St., 60605.

MERCHANDISING

## Technidyne introduces \$99 hip-pocket stereo

HOUSTON—Technidyne Corp. has introduced a lower-cost version of its Hip Pocket Stereo. The HPS120 carries a \$99.95 suggested retail price. It comes with collapsible headphones, a belt clip and shoulder strap.

Technidyne has also introduced



Technidyne Hip Pocket Stereo system

model HPS150, an advanced portable cassette player. It accepts any tape, including metal, and features built-in

## VIS introduces 2 video accessories

NEW YORK—Video Information Systems, Inc. has introduced the VIS Dial-A-Time disc calculator and the VIS I and VIS II videocassette library catalog systems.

The calculator is designed to translate VCR counter numbers into time used and time remaining. When the VCR counter number is set on the disc, the amount of recording time used and the time remaining appears in a window. Information is provided for all three speeds.

There are two Dial-A-Time calculators for each format: the VHS T-60/T-120 and VHS T-90/Trouble-shooter and the Beta L-250/L-500 and L-750/L-830. The suggested list of each is \$14.95.

The VIS Video Library Organizer consists of a series of forms, planning



VIS Dial-A-Time calculator

guides, and indexing materials for cross-referencing by title, subject and artist (not available on VIS II). A cassette index section catalogs the cassette contents. Alpha numeric labels are also included.

The system contains cassette time inventory cards, which help keep track of partially recorded cassettes. Additional features include a recording time guide, program re-record cards and a future programming diary.

Prices of the VIS I system range from \$39.95 to \$129.95 depending on the number of cassettes controlled (10-100). The prices of the VIS II system range from \$19.95 to \$59.95.

Video Information Systems, Inc., 950 Third Ave., M, New York, N.Y. 10022.

monaural and stereo record capability and full auto stop. This unit includes a nylon canvas carrying case with shoulder strap and belt loop, batteries, a 40-minute demonstration tape and an extra carrying case for cassettes. The suggested retail price is \$149.95.

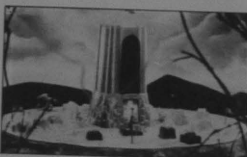
The HPS150 also can be used as an FM receiver by slipping in the optional cassette-shaped FM module (model HCR151) available for \$34.95. In addition, a portable Speaker Pak expands the capabilities of the Hip Pocket Stereo. Model SPK130 can be played either in its carrying case or with the speakers up to 20 feet apart. It retails for \$149.95. An optional AC adapter also is available.

Technidyne Corp., 8556 Katy Freeway, Suite 133, M, Houston, TX 77024.

## MB 'Dark Tower' game has medieval setting

SPRINGFIELD, MA—Dark Tower game from Milton Bradley combines the sophistication of an electronic computer with the challenge of board game strategy, all under the aura of a medieval setting.

Action scenes, projected on the tower's display window, and synthesized sound effects portray game developments. These interact with the tower, which houses the computer



Dark Tower by Milton Bradley

and is located in the center of the playing board.

Milton Bradley Co., M, Springfield, MA 01101.

## Sharp turntable plays both sides of record

PARAMUS, NJ—Sharp has developed a turntable capable of playing both sides of a record without turning it over. The VZ-3000 system consists of a microprocessor-controlled, vertically mounted, linear tracking turntable combined with an AM/FM stereo tuner, a metal-capable cassette deck and matching two-way speakers.

The player's two tonearms allow continuous play of both sides of any size record, random play of either side and endless repeat of one or both sides, via soft-touch controls and



Sharp VZ-3000 turntable

without touching the record.

The compact system measures 21-1/4 in. wide by 6-3/4 in. deep by 14-3/4 in. high and will be available in August. Suggested retail price will be announced at that time.

Sharp Electronics Corp., 10 Key-stone Place, M, Paramus, NJ 07652.

## RCA SelectaVision videodisc player carries \$499.95 suggested list price

NEW YORK—RCA has introduced its entry in the videodisc system market. This capacitance electronic disc (CED) unit offers visual search, at 16 times normal speed, and rapid access, in both forward and reverse modes. However, there is no picture

The CED system features time-base correction circuitry to maintain a constant speed of 450 rpm. Like a phonograph, this system uses a diamond stylus to "read" the picture. The stylus is cleaned every time the disc is removed from the player.



RCA SelectaVision Videodisc

or sound during rapid access. The unit also has pause capabilities. An LED display indicates minutes of elapsed playtime as well as function modes.

The unit measures 17 in. by 15-1/2 in. by 5-3/4 in. It weighs 20 lbs. Suggested list price is \$499.95.

RCA, 30 Rockefeller Plaza, M, New York, NY 10020.

## Coleco sports game has four different cartridges

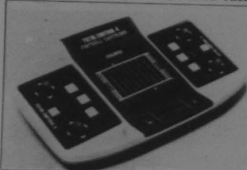
HARTFORD, CT—Coleco's Total Control 4 programmable sports game allows one to four people to participate in four different sports.

The system consists of a master console and four game cartridges—football, basketball, soccer and hockey. Controllable figures are directed by four joysticks, two on each

score keeping and sounds, including the Notre Dame fight song and the sound of a ticking clock.

Packaged with the football cartridge, the system is available for \$49.95 suggested retail. A three-pack of game cartridges retails at \$14.95.

Coleco Industries, 200 Fifth Ave., M, New York, NY 10010.



Total Control 4 sports game

side of the console. The figures are represented by LED's that glow more brightly for offense than defense.

Action is enhanced by electronic

## Stackable storage units hold 12 videocassettes

MT. CLEMENS, MI—Stak-Rak, a device designed to store videocassettes, is being manufactured by Video Specialties.

The system features interlocking storage units that can hold 12 VHS or Beta cassettes. The units are stackable and measure 17-1/4 in. wide, 10 in. high and 5 in. deep. They have a woodgrain finish and a lockable cover.

Video Specialties, 35045 Automation Dr., M, Mt. Clemens, MI 48043.

**Cosa È ? TAMON. ?**

APRIL, 1981

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can operate off AC current, a 12-volt electric system or Zenith's new optional battery pack, model S127Y.

All three models have solid-state chassis with "Signal Processing Circuits," to help eliminate interference. Also featured are a three-stage IF amplifier for picture contrast and detail, horizontal and vertical blanking circuits, an audio detector system, "Precision Video Range" 82-channel VHF tuning and UHF detent channel



Zenith's 12-in. Weekender

selection on all the new models. The sets also feature detachable sunshields, earphone jacks and auto adapter cords. The optional battery

comes with a walnut case and N123J comes with a luggage-style case of padded vinyl.

The nine-in. sets, the N092Y series, have been redesigned with yellow cabinets. They are 2 1/2 lbs. lighter, weighing less than 20 lbs. A redesigned battery pack for the nine-in. AC/DC line has also been introduced.

There are no suggested list prices for the sets.

Zenith Radio Corp., 1000 Milwaukee Ave., M. Glenview, IL 60025.

also. According to weatheralert, the Storm Alarm TA-35 picks up the broadcasts and the alarm code signal anywhere within 40 to 50 miles of a weather transmitter.

The unit features crystal-controlled switch-selectable channel tuning. An optional antenna kit extends the receiving range to 80 miles.

The TA-35 has a chrome top, metal grille and woodgrain-like finish on a polymer cabinet. It retails for \$54.95.

Weatheralert, 639 S. Dearborn St., M. Chicago, IL 60605.

MERCHANDISING

## RCA intros projection TV

INDIANAPOLIS—RCA Consumer Electronics is expanding into smaller and larger video formats because it believes "a widening horizon of video products" will be necessary to meet the consumer demand for home entertainment.

As David H. Croner, vice president-marketing operations for RCA Sales Corp., put it, "The consumer is more demanding and more selective."

RCA is broadening its line of ColorTrak receivers with the addition of a new small screen size, a 9-inch

portable model that also provides instant weather radio reports.

At the same time, RCA is introducing its largest color receiver, a 50-inch projection model, priced optionally at \$3,199.95 retail.

Croner also pointed out that one out of three color TV set sales today is a remote control model.

He also said that consumers "are displaying no hesitation at spending over \$1,000 on VCR."

RCA's new 9-inch ColorTrak receiver is available in two models.

## Directory of software suppliers

(Continued from page 23)

Walt Disney Home Video, 500 S. Buena Vista St., Burbank, CA, 91521 (Vcp, Vd) (213) 841-2000

Warner Home Video, 75 Rockefeller Plaza New York, NY, 10019 (Vcp) (212) 484-6108

Wonderful World of Video Inc., 6315 Hollywood Blvd., Hollywood, CA, 90228 (Vcp) (213) 465-8677

Zenith Radio Corp., 1000 Milwaukee Lane, Glenview, IL, 60025 (Vcb) (312) 391-7000

Atari, Inc., Consumer Div., 1265 Borregas Ave., Sunnyvale, CA, 94086 (800) 538-6547

Bally Div. of Astrovision, Inc. 6460 Busch Blvd., 215, Columbus, OH, 43229 (800) 848-6989

Magnavox Consumer Electronics Co., Straw Plains Pike & 140, Box 6950, Knoxville, TN, 37914 (615) 523-6207

Mattel Inc., 5150 Rosecrans Ave., Hawthorne, CA, 90250 (213) 644-0411

## Electronic games software

APF Electronics Inc., 1501 Broadway, New York, NY, 10036 (212) 869-1950  
Activision Inc., 759 E. Evelyn Ave., Sunnyvale, CA, 94086 (408) 245-5421

Coming in May:  
Pulse Reports on  
Microwave Ovens  
and Floor Care Products

## Merchandising CLASSIFIED AD MART

Where Your  
Classified Ad  
reaches over 60,000  
industry pros

## THE CLASSIFIED AD MART

Where Your Classified Ad reaches over 60,000 industry "pros"

This high-reader-traffic section is a marketplace for you to fill an important position in your company, to find a new career opportunity for yourself, or sell any used or odd-lot products or items for sale on a one-time basis.

THE CLASSIFIED AD MART offers you an audience of over 59,000 retailers, wholesalers and suppliers of major appliances, home/auto electronics and housewares nationwide.

**DEADLINE:** The 1st of the month preceding each MERCHANDISING publication date.

**RATES:** \$50 per column inch (approximately 35 characters to a line, 7 lines per inch). All copy is pub set at no charge. For blind box number, please add \$5.

Please run the attached ad(s) in the next issue of MERCHANDISING.

I am enclosing a check for \$\_\_\_\_\_ ☐ This includes \$5 for a blind box number.

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Organization \_\_\_\_\_

Address \_\_\_\_\_

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Phone Number \_\_\_\_\_

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Classified Ad Manager  
MERCHANDISING  
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### THE FAN CO.

of America is looking for a few good men to call on lighting and fan stores and wholesale dist. Many territories open. Please contact:

Sam Umansky  
THE FAN CO. OF AMERICA  
2801 East 11th Street  
Los Angeles, CA 90023  
(213) 268-1768

**WANTED TO BUY — CLOSEOUTS — SURPLUS — OVERRUNS ETC. SEND SAMPLE & PRICES TO MKD, 2438 SO. HOLLAND CT., LAKEWOOD, CO 80227.**

### SALES REPS WANTED

Manufacturer of cutting boards, gourmet items, serving trays and microwave platters.

Looking for experienced sales companies with knowledge of Glass Ware and table top products.

Please send brief information & lines presently handled to:

Phoenix Glass Products  
444 Hempstead Turnpike  
West Hempstead, New York 11552  
ATTENTION: Sales Manager

### MERCHANDISING/PURCHASING DIRECTOR

A Minneapolis-based chain of 67 retail home improvement stores is seeking to fill a top level merchandising management position. This position encompasses total merchandising responsibilities. Experience is required. The amount of experience and qualifications of applicant will determine salary level. The company offers an excellent benefit package. Qualified applicants should send resumes to:

Glenn Meyer, President  
PLYWOOD MINNESOTA, INC.  
5401 East River Road  
Minneapolis, MN 55421  
(612) 571-2636

All correspondence will be held in strict confidence.



A GRALLA PUBLICATION

# Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

Cutting overhead to the bone helped raise profits 100.8% last year.



Edward McClusky  
Standard Brands

Showing consumers how to use up-to-date appliances will boost demand.



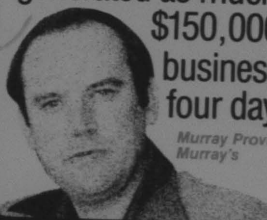
Ed Tobor  
Fingers

Becoming a local media celebrity can increase market share.



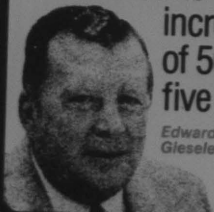
Tony Campo  
Campo Appliance

Tent sales have generated as much as \$150,000 of business in four days.



Murray Provine  
Murray's

Well-targeted ads have led to sales increases of 50% over five years.



Edward Gleseler  
Gleseler's

Aggressive promotion has turned one store into a 10-store chain.



Art Regal  
The Appliance Store

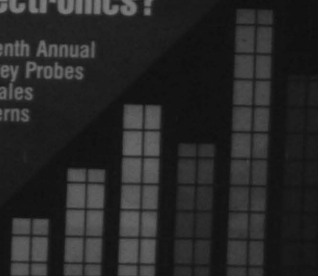
**Major Appliances:**

## SURVIVORS OF THE '80s

**TOP RETAILERS OFFER SALES-BOOSTING FORMULAS**

**Where's The Action In Electronics?**

Seventh Annual  
Survey Probes  
'81 Sales  
Patterns



**NATM Buying Group Passes Billion-Dollar Sales For Second Straight Year**

## into solutions than survive

The van contained an impressive array of test equipment which was used to analyze the appliances. After the test, the salesperson would stick the appraisal onto the appliance with a tag bearing the store's name and phone number.

When the appraisals were completed, the salesman would leave a small premium with the homeowner. A few days, he would also phone, offering: "Let us give you the best made-in value for today's modern appliances."

### Cooking schools impress

The cooking school: Any kind of community participation has to help. Specifically, a cooking school demonstration of new ranges and microwave ovens can bring a lot of unhappy housewives together for an afternoon of fun and free coffee and cake. It also leaves an indelible impression on the potential consumer.

A door prize of a cookware set comes icing on the cake. So does awareness that a new cooking appliance would do a lot to relieve tensions.

More in the next issue. In the meantime we hope these efforts on our part provide the necessary fuel for you to ride roughshod over those who can do no better than fold their arms every time a crisis develops.

## ng policies, nt in malls

...Among the probes that may be led—or even stopped—by the budget troubles (See Merchandising, April '81) is the attempt to by allegations that Teledyne Industries gave some of its biggest Perik customers unlawful price cuts. The Denver regional office of the commission is running the investigation, and that office is now in for closing....The number of thised retail outlets handling consumer electronics and other products is expected to grow 8.2 percent a year, according to a Commerce report. Last year, such franchise-owned outlets increased by one percent....Consolidated Disasters, Inc. was within its rights in ing to stock a new outlet with ar television sets, the New co Court of Appeals ruled. The outlet was started by a former yee of Western Auto, a prime ar outlet for Consolidated. The ar ruled it is reasonable for Con- to turn it down since the f employee's "agitation" had ed Western Auto's sales and the ore, if stocked with the brand, get a "free ride" on Western s advertising...Coleman Co. is to get the FTC to undo strings trantly advertising put on the ay in 1968. With the Moss- son Act now encouraging war- eds, Coleman should be free to te its terms along with its com- es', the firm says.

# INTRODUCING THE MONEY MACHINE.

(OR, HOW YOU CAN MAKE A MILLION DOLLARS SELLING ODYSSEY<sup>2</sup>.)

Start with a simple premise, namely that once a customer buys an Odyssey<sup>2</sup> master unit, he's going to buy Odyssey<sup>2</sup> game cartridges.

That's why we call Odyssey<sup>2</sup> The Money Machine.

**HERE'S THE MILLION-DOLLAR FORMULA:** If each money machine you sell generates only 17 cartridge sales over four years, your gross profit on just the cartridges from that single money machine will exceed \$140.

When you sell 1,786 money machines, the cartridges will generate over \$250,000 gross profit cash, folks.

And when you do this for four years, you have a cool \$1 million in cartridge profits.

Sell 1,000 money machines a year for four years and the cartridge profit can make you half a millionaire. Sell only 500 and you'll still gross over a quarter of a million dollars.

And that doesn't even count the profit from Odyssey<sup>2</sup> master units themselves or impulse sales gained from all the repeat traffic.

**NEW ODYSSEY<sup>2</sup> MASTER STRATEGY SERIES™ WILL KEEP YOU GOING.**

"The Quest For The Rings" is part of our new Master Strategy Series. The first of a new generation of video games that combine game-board strategy, computer keyboard interaction, and on-screen video action.

The Master Strategy games are high-traffic, high-profit products and that's why we've got more of these games on the way for you.

And with 40 sports, arcade, and educational games

to choose from, you'll have plenty for all age and interest groups. To keep those profits coming year after year.

**NATIONAL AND LOCAL AD AND MERCHANDISING SUPPORT. THE BIGGEST EVER.**

To support your commitment to Odyssey<sup>2</sup> we'll soon be launching the largest effort we've ever devoted to this product. A heavy campaign to make people more aware of the full-feature, alphabet and number keyboard benefit of Odyssey<sup>2</sup> to keep it a strong demand line.

You ought to cash in on all the excitement! Mail in the coupon for more information. And get in on the million-dollar profit opportunity with The Money Machine.



© 1981 MAGNAVOX CONSUMER ELECTRONICS CO

- ☐ Yes. I want to make a million dollars selling Odyssey<sup>2</sup>.  
☐ No. I am not interested in making a million dollars at this time.

Dealer Name

Address

City

State

Zip

Phone

Mail to: Odyssey<sup>2</sup> Headquarters, P.O. Box 6950, Knoxville, TN 37914

**MAGNAVOX**  
The brightest ideas in the world  
are here to play.

## TRENDINGS IN PERSONAL ELECTRONICS



William Cohen

### Computer retailers struggle to provide sufficient software

Personal computer retailers complain they are not making as much profit from software as they would like. They cite these reasons, among others: lack of dating from manufacturers, competition from mail-order houses and the problems of finding enough space and open-to-buy dollars to keep up with all the latest releases. As a result, some retailers special-order titles as their customers pick them from catalogs. Others have been buying through local distributors.

"I would like to be able to stock a full

line and not have to worry," said the owner of a major New York hobby store. "But I can't take chances with C.O.D. payment or 30 days net. I must know what will sell."

Another problem is that consumers can buy something through the mail for \$100, for example, while an electronics retailer would normally charge \$150.

"We have to make at least 50 percent markup on software because on competitive bidding, we're sometimes down to 15 percent on hardware," said a St. Louis computer specialist. "Soft-

ware people must get their marketing act together."

He added that the quantity of software available is not a problem; rather, it is sometimes the quality that is poor. And because of a lack of test reports, buying third-party software is "like shooting ducks in the dark," he said. "We're almost conning manufacturers to send one for an evaluation. They sometimes cooperate."

#### Inventory is a problem

Even if suppliers sent all software on consignment, as one retailer suggested, there could still be problems finding enough space, and for some, open-to-buy. "It shows up as inventory," explained a San Francisco department store buyer. "We might have 50 programs, with five to 10 that really sell well," he added.

Yet another problem: programs are sometimes improved upon without some retailers' knowledge. "If we are not really careful, one can go stale while it's still on the shelf," said a Dekalb, IL, computer store manager. Not all manufacturers will accept outdated merchandise for credit, he continued.

What are retailers doing to maximize the potential of software to generate gross profit dollars?

For some, the answer lies in stocking a basic library from hardware suppliers, and software reference catalogs from major third-party manufacturers. "The difficult part is hiring salespeople who know how to lead the customer through a discussion, qualify the need and use a software reference catalog," said one department store buyer.

Added another, "The problem is we have over 20 stores, and to carry the inventory in those stores is not justified." Since he sells only the TI-95 personal computer and software, he can special order from a local Texas Instruments distributor and receive the software within two days. "Salesmen know what's offered, and we have literature," the buyer pointed out.

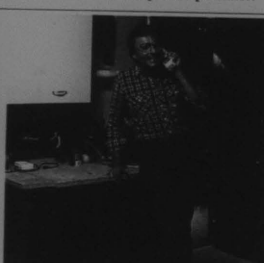
#### Take aggressive approach

Some retailers have taken a more aggressive approach. "Software has the best margin of anything in the industry—at least 40 percent, sometimes 50 percent," stressed a retail specialist. "We have 25 titles in stock and want to get that up to 100." About 75 percent of those now are for business, while 25 percent are games, he added.

"Primarily, we buy through a distributor, so there is no payment problem," he continued. "To this point, we haven't stressed software in advertisements, and have used direct mail. In the future, though, we'll be advertising computers and software as part of a problem-solving system." Customers usually buy computers to solve a specific type of business problem, he explained, but need and want the capability to solve other types of problems.

"We stock 50 different titles, about 30 percent of which are for the customers' convenience," said another electronics specialist. About one-half are bought through a distributor, with full payment due in 45 days.

"At any one time, we have \$5,000 tied up in software," he added. "We will increase that only if vendors become more aggressive in their marketing. There is very little personal contact, and too many 'armchair marketers.' I'd like to see manufacturer reps demo the product." ●



### Now—anyone can afford to stay in touch— with the newest Cobraphone...

**It goes wherever you go—indoors or out—and makes sure you receive calls you might otherwise miss...**

With this new economical Cobraphone cordless extension phone, you can stay in touch for less than \$100.00! And you can use it anywhere in and around your home or even at your neighbors.

Uses for the new Cobraphone are limited only by your imagination: on the patio or at poolside, in the yard, garage, or basement, in the sick-room, by recuperating patients or invalids, in a warehouse or on a construction site. Also use it while watching TV—take calls without leaping up from your favorite chair. Or leave it at your next door neighbor's home, so they can answer your phone while you're away—a great aid to home security!

You'll marvel at the outstanding quality of voice communications on your Cobraphone. That's because Cobra's famous power and quality make sure conversation is "loud and clear" with your



Cobraphone—as with Cobra CB radios. And it features the same full FM duplex system found on all Cobraphones: talk and listen as you would with a conventional phone—no annoying push-to-talk buttons.

The CP-15S installs in seconds: just plug into the nearest AC outlet and phone jack. That's all there is to it!

So visit your favorite retail department or electronics specialty store today. Ask to see the full Cobraphone line. Then take home your choice and enjoy all your activities—and still be in touch with everyone—anywhere in the world.

Write for free color brochure.



Cobra Communications Product Group  
DYNASCAN CORPORATION  
6460 W. Cortland St. Chicago, Illinois 60635

### Bigger National Advertising Program Than Ever!

Your customers will see this ad in Playboy, Esquire, Time, Newsweek, Sports Illustrated, Sport, GQ, Popular Science, Popular Electronics, Better Homes & Gardens, House Beautiful, Good Housekeeping and more!



# VIDEO/VIDEOTAPE

## Prerecorded Video Sales Zoom Toward 4.6 Million

### Analysis

Notwithstanding introduction of more videocassette models this year, another big story is the expected surge in prerecorded videotape shipments. Merchandising projects total factory shipments of 4,667,000 units in 1981, a 48.1 percent gain over 1980's 3,151,000.

Of the above total, general interest tapes should account for 3,335,000 units, a 68 percent surge beyond 1980's 1,985,000. There are, of course, many more general interest/sports/instructional products on the market this year.

Meanwhile, the X-rated market should enjoy a 14.2 percent gain. Shipments should reach 1,332,000 in 1981 vs. 1980's 1,166,000.

Blank videotape also will continue to show nice growth. Shipments should jump 38.4 percent to 21,200,000 units, as against 15,316,000 in 1980.

Looking at the retail distribution picture, one is not surprised to find the video specialty store approaching a 20 percent market share. Video specialty store growth can surely be described as phenomenal, with numerous franchising efforts reportedly under way in 1981.

Switching to another growth category, video games, it's expected that shipments of programmable models should be up 46.3 percent to 1,300,000 units. This compares with 1980's 1,300,000 figure. As impressive as this may seem, sales might be even better if some of the high demand items were available earlier this year. In the case of one eagerly awaited game slated for early '81 introduction, some retailers are now talking to their customers in terms of September availability.

### Projection TV: 94,000 Units Coming

The super-size TV screen is another interesting story for 1981. Several manufacturers will have tossed their hat into the projection TV ring before year-end. Merchandising

(CONTINUED ON PAGE 38)

### PRERECORDED VIDEOTAPE TOTAL FACTORY SALES

	1981	1980	% of Change
Prerecorded Videotape, total	4,667,000	3,151,000	+ 48.1
General Interest	3,335,000	1,985,000	+ 68.0
X-Rated	1,332,000	1,166,000	+ 14.2
Beta	1,600,000	1,123,000	+ 42.5
VHS	3,067,000	2,028,000	+ 51.2

### BLANK VIDEOTAPE SALES BY TYPE OF OUTLET

	1981	1980
Appliance/TV Store	26%	35%
Audio/Hifi Specialty Store	17%	13%
Camera Store	4%	3%
Catalog Chain/Mail Order (Sears, Penney's, etc.)	5%	4%
Catalog Showroom	3%	2%
Department Store	10%	10%
Discount Store	13%	10%
Film Processors (i.e. Fotomat, Shutterbug, etc.)	2%	2%
Record Store	5%	4%
Video Specialist	13%	12%
Other	2%	5%

### PROJECTION TV TOTAL FACTORY SALES

	1981	1980	% of Change
Projection TV	94,000	77,000	+ 22.1

### PROJECTION TV SALES BY TYPE OF OUTLET

	1981	1980
Appliance/TV Store	15%	15%
Audio Hifi Specialty Store	28%	32%
Catalog Showroom	1%	1%
Department Store	9%	9%
Discount Store	2%	3%
Furniture Store	3%	4%
Video Specialty Store	40%	35%
Other	2%	1%

### PRERECORDED VIDEOTAPE SALES BY TYPE OF OUTLET

	1981	1980
Appliance/TV Store	10%	12%
Audio/Hifi Specialty Store	10%	9%
Camera Store	4%	4%
Catalog Chain/Mail Order (Sears, Penney's, etc.)	24%	30%
Catalog Showroom	3%	3%
Department Store	14%	14%
Discount Store	3%	2%
Film Processors (i.e. Fotomat, Shutterbug, etc.)	6%	5%
Record Store	6%	5%
Video Specialist	19%	16%
Other	1%	0%

### BLANK VIDEOTAPE TOTAL FACTORY SALES

	1981	1980	% of Change
Blank Videotape, total	21,200,000	15,316,000	+ 38.4
Beta	8,100,000	6,028,000	+ 34.4
VHS	13,100,000	9,288,000	+ 41.0

### VIDEO GAME TOTAL FACTORY SALES

	1981	1980	% of Change
Video Games, total	2,397,000	1,750,000	+ 37.0
Non-Programmable	495,000	450,000	+ 10.0
Programmable	1,902,000	1,300,000	+ 46.3

### VIDEO GAME SALES BY TYPE OF OUTLET

	1981	1980
Appliance/TV Store	9%	7%
Audio/Hifi Specialty Store	4%	3%
Catalog Chain/Mail Order (Sears, Penney's, etc.)	16%	14%
Catalog Showroom	13%	10%
Department Store	17%	22%
Discount Store	27%	33%
Electronic Specialty Chain (Radio Shack, Lafayette, etc.)	3%	2%
Toy Store	9%	7%
Video Specialty Store	1%	1%
Other	1%	1%

# VIDEO/VIDEOTAPE

## Color TV's To Register 3.2 Percent Sales Increase

(CONTINUED FROM PAGE 36)

projects shipments of 94,000 units this year, a 22.1 percent gain over 1980's 77,000.

This is a product category where specialty stores logically dominate retail sales. Video specialty outlets will probably do 40 percent of 1981 business, compared with 35 percent last year. The audio/hifi specialty store may be a mild casualty of the video specialists' gain, doing 28 percent of sales vs. 32 percent last year.

In color TV, our projections continue to be cautious compared to other estimates covering 1981. Total shipments should reach 10,294,000 units, a 3.2 percent increase over 1980's 9,978,000.

One interesting aspect of this growth will be the movement of smaller screen models. In the "9 inch and other" category, for example, there should be a 17.1 percent growth. Total factory shipments should reach 459,000 units vs. 1980's 392,000. Shipments of 18- and 19-inch color models should pass the five million mark, reflecting a 2.6 percent increase.

In cabinet styling for color TV models, modern should account for 33 percent of shipments, followed by Mediterranean with 32 percent.

Turning to the exciting videocassette recorder market, Merchandising sees 1981 shipments reaching 1,205,000 units, a 49.9 percent growth over 1980's 804,000. And color video camera shipments should show a 76.8 percent upsurge—to 175,000 units shipped vs. 99,000 last year.

### B&W TV TOTAL FACTORY SALES

	1981	1980	% of Change
B&W TV, total	6,194,000	6,149,000	+ 0.7
Portable & Table	6,184,000	6,132,000	+ 0.8
Console & Combo	10,000	17,000	- 41.2

### B&W TV SALES BY TYPE OF OUTLET

	1981	1980
Appliance/TV Store	25%	28%
Catalog Chain/Mail Order (Sears, Penney's, etc.)	19%	19%
Catalog Showroom	6%	6%
Department Store	16%	16%
Discount Store	26%	23%
Furniture Store	4%	4%
Other	4%	4%

### BATTERY-POWERED: PERCENT OF B&W TV SALES

1981	1980
26	23

### COLOR TV TOTAL FACTORY SALES

	1981	1980	% of Change
Color TV, total	10,294,000	9,978,000	+ 3.2
Portable & Table	7,968,000	7,738,000	+ 3.0
Console & Combo	2,326,000	2,240,000	+ 3.8

### COLOR TV CONSOLE SALES BY CABINET STYLE

	1981	1980
Early American	26%	28%
French Provincial	4%	5%
Mediterranean	32%	32%
Modern (contemporary)	33%	31%
Other	5%	4%

### REMOTE CONTROL PERCENT OF COLOR TV SALES

1981	1980
31	26

### VCR TOTAL FACTORY SALES

	1981	1980	% of Change
VCR Total Factory Sales	1,205,000	804,000	+ 49.9
Beta	315,000	225,000	+ 40.0
VHS	890,000	579,000	+ 53.7

### B&W TV SALES BY SCREEN SIZE

	1981	1980	% of Change
Mini Combinations	470,000	396,000	+ 18.7
9-in. & under (excl. mini combos)	805,000	738,000	+ 9.1
12-in.	4,256,000	4,219,000	+ 0.9
13 & 15-in.	119,000	143,000	- 16.8
16 & 17-in.	90,000	125,000	- 28.0
18 & 19-in.	439,000	507,000	- 13.4
22-in., total	15,000	21,000	- 28.6
Console & Combo	13,000	17,000	- 23.5
Table	2,000	4,000	- 50.0

### COLOR TV SALES BY SCREEN SIZE

	1981	1980	% of Change
9-in. & under	459,000	392,000	+ 17.1
12 & 13-in.	1,595,000	1,508,000	+ 5.8
14 & 15-in.	285,000	283,000	+ 0.7
16 & 17-in.	368,000	351,000	+ 4.8
18 & 19-in.	5,018,000	4,890,000	+ 2.6
21-in.	158,000	179,000	- 11.7
23-in., total	227,000	253,000	- 10.3
Console & Combo	197,000	214,000	- 7.9
Table	30,000	39,000	- 23.1
25-in., total	2,184,000	2,122,000	+ 2.9
Console & Combo	2,083,000	2,026,000	+ 2.8
Table	101,000	96,000	+ 5.2

### COLOR TV SALES BY TYPE OF OUTLET

	1981	1980
Appliance/TV Store	47%	48%
Catalog Chain/Mail Order (Sears, Penney's, etc.)	15%	16%
Catalog Showroom	2%	2%
Department Store	14%	14%
Discount Store	11%	10%
Furniture Store	6%	7%
Video Specialty Store	3%	1%
Other	2%	2%

### VCR SALES BY TYPE OF OUTLET

	1981	1980
Appliance/TV Store	35%	40%
Audio Hifi Specialty Store	11%	10%
Catalog Chain/Mail Order (Sears, Penney's, etc.)	6%	5%
Catalog Showroom	2%	2%
Department Store	15%	15%
Discount Store	11%	11%
Video Specialty Store	19%	16%
Other	1%	1%

### VIDEO CAMERA TOTAL FACTORY SALES

	1981	1980	% of Change
Video Cameras, total	187,000	115,000	+ 62.6
Color	175,000	99,000	+ 76.8
Black & White	12,000	16,000	- 25.0

MERCHANDISING

# Seventh-Annual Electronics Statistical & Marketing Report

## PERSONAL ELECTRONICS

### Hand-Held Calculators Pick Up Market Share

#### Analysis

Desk-top calculators are giving way somewhat to hand-held models this year. *Merchandising* projects a 5.1 percent drop in desk-top sales for 1981, whereas the hand-held category will show an overall 3.8 percent gain.

Major growth in hand-helds will come via printer models. Almost 800,000 units will be shipped by manufacturers this year, compared with 659,000 in 1980. Printers should show a 20 percent shipment gain, following a healthy 15 percent jump last year.

Total calculator movement should reach 27,138,000 units, as against 26,502,000 in 1980. The hand-held gains become more interesting when you consider that this category showed a five percent spiral in 1980. Furthermore, mini-card models, which were up six percent last year, will probably show a 9.5 percent surge this year.

#### Big-Ticket Computers Dominate Scene

Although there was much hoopla about inexpensive personal computers—under \$500—this year, with probably more such models on the way in 1982, it's still a big-ticket business.

*Merchandising's* sources expect that 32 percent of this year's retail business will be done in the \$1,001 to \$1,500 price range, compared with 25 percent last year. More business will also be done in the over \$2,000 range. All other price points measured should dip to varying degrees.

Total 1981 shipments should reach 449,000 units, compared with 371,000 in 1980, a 21 percent gain. This is, of course, not as startling a gain as reported in 1980—51 percent—when the market was springing from a smaller base.

What's interesting here, perhaps, is the relative stability of computers sold for personal/home use. This should account for 28 percent of total 1981 volume, compared with 31 percent in 1980 and 37 percent in 1979.

If conventional retailers are to do a job in this market—it is doubtful that they can crack the business/professional and school markets effectively—they'll probably have to rear some better-trained sales help. Special clinics and demonstrations—something done more in connection with microwave ovens—may be in order.

Meanwhile, specialists will continue to corner the business in 1981. They'll probably do 44 percent of all retail

(CONTINUED ON PAGE 42)

#### CALCULATOR TOTAL FACTORY SALES

	1981	1980	% of Change
Calculators, total	27,138,000	26,502,000	+ 2.4
Hand-Held, total	23,137,000	22,288,000	+ 3.8
Mini-Card	3,016,000	2,754,000	+ 9.5
Printer	791,000	659,000	+ 20.0
Programmable	92,000	88,000	+ 4.5
Other	19,238,000	18,787,000	+ 2.4
Desk-Top, total	4,001,000	4,214,000	- 5.1
Display Only	857,000	927,000	- 7.6
Printer Only	1,038,000	1,095,000	- 5.2
Printer/Display	2,106,000	2,192,000	- 3.9

#### CALCULATOR SALES BY TYPE OF OUTLET

	1981	1980
Appliance/TV Store	4%	4%
Book Store	1%	1%
Catalog Chain/Mail Order (Sears, Penney's, etc.)	23%	20%
Department Store	11%	16%
Discount Store	30%	30%
Electronics Specialty Store (Radio Shack, Lafayette, etc.)	4%	4%
Office Supply	9%	9%
Catalog Showroom	12%	12%
Others	6%	4%

#### PERSONAL COMPUTER TOTAL FACTORY SALES

	1981	1980	% of Change
Personal Computers	449,000	371,000	+ 21.0

#### PERSONAL COMPUTER USES PERCENT OF RETAIL SALES

	1981	1980
Business/Professional	56%	53%
Personal/Home	28%	31%
School/Educational	16%	16%

#### PERSONAL COMPUTER SALES BY TYPE OF OUTLET

	1981	1980
Appliance/TV Store	5%	5%
Audio/Hifi Specialty Store	5%	4%
Catalog Chain/Mail Order (Sears, Penney's, etc.)	5%	5%
Computer Specialty Store	44%	43%
Department Store	6%	6%
Discount Store	2%	2%
Electronic Specialty Store (Radio Shack, Lafayette, etc.)	20%	20%
Hobby Shop, others	13%	15%

#### PERSONAL COMPUTER SALES BY RETAIL PRICE RANGE

	1981	1980
Under \$500	5%	6%
\$500 - \$800	18%	25%
\$801 - \$1,000	15%	19%
\$1,001 - \$1,500	32%	25%
\$1,501 - \$2,000	5%	8%
Over \$2,000	25%	17%

#### RADAR DETECTOR TOTAL FACTORY SALES

	1981	1980	% of Change
Radar Detectors	530,000	* 464,000	+ 14.2

\*Revised

#### RADAR DETECTOR SALES BY TYPE OF OUTLET

	1981	1980
Appliance/TV	1%	1%
Automotive Supply	16%	21%
Catalog Chain/Mail Order (Sears, Penney's, etc.)	9%	7%
Catalog Showroom	16%	11%
CB Specialty Store	13%	10%
Department Store	3%	3%
Discount Store	17%	22%
Truck Stop	18%	18%
Electronic Specialty Store	4%	5%
Others	3%	2%



# Seventh Annual Electronics Statistical & Marketing Report

## PERSONAL ELECTRONICS

### Growth In Electronic Games Will Moderate

(CONTINUED FROM PAGE 40)

volume, compared with 43 percent in 1980. Specialty stores, such as Radio Shack, of course, are also a factor. Such stores should account for 20 percent of retail volume.

That leaves 36 percent of the business which other retailers can scramble for. Hobby shops and "others" may pick up 13 percent of sales, down from 15 percent in 1980 and 26 percent in 1979.

#### Electronic Games Leveling Continues

As might be expected, factory shipments of electronic games will be a bit more modest this year. Total shipments should reach 22,794,000 units, compared with 19,702,000 in 1980, up 15.7 percent. Last year's 19.7 million figure reflected a 23 percent gain over 1979.

The lion's share of volume continues to be in hand-held units. Shipments here should be up 18.9 percent to 19,024,000 units. Nothing too exciting will happen in board games, up 1.8 percent to 3,770,000 units.

There is probably much more potential in board games, but there is an expertise required that most retailers lack. Some further educational effort by suppliers of such games could probably produce quite a spurt in the low-end models.

In the telephone category, overall shipments should be up 19.8 percent to 3,165,000 units, from 2,643,000 units in 1980. The big surge will be in advanced models—up 68.3 percent for the year—and cordless units—up 58.1 percent.

Phone specialists and mass merchants are doing the lion's share of the business, no change from previous reports. Merchandising projects that phone specialists will account for 20 percent of all unit sales, compared with 18 percent in 1980. Catalog showrooms and other catalog chains should also pick up some share points, primarily at the expense of department stores and discount outlets.

#### ELECTRONIC GAME TOTAL FACTORY SALES

	1981	1980	% of Change
Electronic Games, total	22,794,000	19,702,000	+ 15.7
Hand-Held	19,024,000	16,000,000	+ 18.9
Board	3,770,000	3,702,000	+ 1.8

#### TELEPHONE & PHONE ANSWERER TOTAL FACTORY SALES

	1981	1980	% of Change
Telephones, total	3,165,000	2,643,000	+ 19.8
Standard	1,076,000	1,044,000	+ 3.1
Decorator	1,284,000	1,106,000	+ 16.1
Advanced	424,000	252,000	+ 68.3
Cordless	381,000	241,000	+ 58.1
Phone Answerers	671,000	579,000	+ 15.9

#### DIGITAL WATCH SALES BY TYPE OF OUTLET

	1981	1980
Catalog Chain/Mail Order (Sears, Penney's, etc.)	20%	20%
Catalog Showroom	16%	16%
Department Store	22%	23%
Discount Store	25%	24%
Drug Store	7%	6%
Jewelry Store	10%	11%

#### TELEPHONE SALES BY TYPE OF OUTLET

	1981	1980
Appliance/TV Store	4%	4%
Audio/Hifi Specialty Store	4%	3%
Catalog Chain/Mail Order (Sears, Penney's, etc.)	16%	15%
Catalog Showroom	13%	12%
Department Store	16%	20%
Discount Store	19%	20%
Phone Specialist	20%	18%
Other	8%	8%

#### PHONE ANSWERER SALES BY TYPE OF OUTLET

	1981	1980
Appliance/TV Store	2%	2%
Audio/Hifi Specialty Store	2%	2%
Catalog Chain/Mail Order (Sears, Penney's, etc.)	16%	18%
Catalog Showroom	9%	8%
Department Store	31%	33%
Discount Store	29%	28%
Office Supply	2%	2%
Phone Specialist	8%	6%
Other	1%	1%

#### DIGITAL WATCH TOTAL FACTORY SALES

	1981	1980	% of Change
Digital Watches, total	23,175,000	21,163,000	+ 9.5
Men's	17,163,000	15,043,000	+ 14.1
Ladies'	6,012,000	6,120,000	- 1.8

#### LANGUAGE TRANSLATOR TOTAL FACTORY SALES

	1981	1980	% of Change
Language Translators	77,000	112,000	- 31.2

## Department stores

laser system was introduced. "To many people here, the disc is just another gadget," Jacobs said. However, blue collar areas where the chain has outlets are reporting better sales.

A department store in Milwaukee reported that VCR sales were actually up slightly during RCA's introduction week, possibly because of increased traffic generated by the promotion.

### Specialty stores slack

By contrast, most specialized video dealers reported little if any enthusiasm for the product. Many said they haven't sold a single player. Some said customers weren't even interested in looking at the system.

Harry Valas, owner of Valas TV and Stereo, Denver, said he didn't have a single customer inspect the system the first week. He received six players from RCA, but commented that the software selection was inadequate.

Although the quality of the product is "super," Valas said, "it just doesn't look like a \$500 item. Also, the price difference between the VCR and the disc player is too small."

"I'm selling VCR's for \$700," he added. "If the disc system were cheaper—say \$300—it would be a whole different story."

Although Gene Kahn's Columbia Video Systems, Highland Park, IL, had a busy week during the RCA introduction, "no one came in just to see the system," he said. He hadn't sold any either.

Kahn commented he couldn't prepare a merchandising program because he had only received two players and did not have sufficient information or guarantees from RCA about future shipments. He said he had ordered \$100,000 worth of players and discs.

Reube's Electronics, Alexander, AL, reported good sales. The system had gone over pretty well; one had already been sold, said a spokesman, adding, "People like the idea."

### Some discounting reported

Only two stores were found to be actively discounting the RCA system. Campo TV & Appliance, New Orleans, advertised the system for \$99.95 the first day it was introduced. And 47th Street Photo, New York City, reported having sold several for \$449.

One ad in New York City, promoting the system at \$399, turned out to be the result of a typographical error.

RCA's Sauter said the company's intent was to attract the average TV viewer rather than the videophile. The fact that general stores are generating most sales bears this out, he said.

"We didn't expect to attract the so-called hobbyists—and we are not," Sauter remarked.

He also pointed out that parts of the country that had been slow to accept videocassette recorders—Maine, Minnesota, Alabama and Tennessee—have been much more receptive of the videocassette system.

RCA shipped an additional 15,000 units a few days after its mass production, and plans to continue shipping units as they are produced. RCA's announced goal is to sell 100,000 players by year's end.

MERCHANDISING

## PRODUCT PICTURE/ELECTRONICS

### Audio-Technica designs ultralight stereophones

STOW, OH—Light stereophones have been introduced by Audio-Technica.

Weighing less than two oz., the ATH-0.1 Point 1, ATH-0.3 Point 3 and ATH-0.5 Point 5 models have been designed for portability. Their size and weight make the stereophones suited for use with low-power portable radios.

Headbands are made of stainless steel, and other critical parts are constructed of metals and high-impact resins. Acoustical foam ear cushions and lightweight Y-cord ensure a proper fit on the head, according

to the manufacturer.

Suggested retail prices are: for the Point 1 model, \$29.95; for the Point 3 model, \$49.95, and for the Point 5 model, \$79.95.

Audio-Technica U.S., Inc., 1221 Commerce Drive, M. Stow, OH 44224.



A-T light stereophones

### Mattel Computer Chess has liquid crystal screen

HAWTHORNE, CA—Unlimited chess situations can be set up and played with Computer Chess, recently introduced by Mattel Electronics. The unit also provides four skill levels.

A liquid crystal display screen eliminates the need for separate pieces. The game's microcomputer allows either a player against the computer or a chance to observe the computer playing against itself. The chip can also be disengaged so that a player can take on human opponents.

A player can take back up to three previous moves, and the computer's responses to those moves. He can also ask the computer for advice on which move it would make. As a last resort, a player can switch sides with the computer before completing a game. A special save-game feature permits opponents to return to a match in progress within several days.

The suggested retail price is \$110. Mattel Electronics, 6150 Rosecrans Ave., M. Hawthorne, CA 90250.



Mattel Electronics Computer Chess

### Missile Command added to Atari game library

SUNNYVALE, CA—Missile Command, a popular coin-operated video game, has been made available in a home video game version. The Atari cartridge is a one- or two-player game that uses joysticks and offers 34 game variations.

The game begins with wave after wave of enemy missiles raining down on an earth missile base and six surrounding cities. The player, as base commander, is responsible for protecting and defending the territory from enemy attack.

Suggested retail price is \$31.95. The game is now available nationwide, the company says.

Atari Inc., 1265 Borregas Ave., P.O. Box 427, M. Sunnyvale, CA, 94086.

### Unisonic presents Talkback computer

NEW YORK—Unisonic Products has introduced a Walt Disney Mickey Mouse "talkback" computer.

The computer tells stories, leads adventures, asks riddles and quizzes children on a variety of topics. They respond by pushing answer buttons, then hear Mickey Mouse tell them if they were right or wrong.

Each specially encoded cassette is 20 minutes long on each side. Children can work at their own pace in response to questions or requests from Mickey and other characters. There is an accompanying activity/story book. The initial library includes 54 different programs in six categories.

The "talkback" computer comes



Mickey Mouse Talkback Computer

with both AC and headphone jacks, one 40-minute IQ test tape and a puzzle book. Suggested retail is \$139.95. Additional software programs are available for under \$10.

Unisonic Products Corp., 1115 Broadway, M. New York, NY 10010.

TV picture simulated.

# "A great name in TV is back—with a great new distributor program."



"When I was doing my 'Show of Shows' in the 50's, DuMONT was the class act in television. Now DuMONT's back and better than ever—with an innovative new line of color televisions for the 80's and an innovative new distributor program. Sounds like a good show to me."

**DuMONT controls distribution. You control profits.** It's your chance to cash in as an exclusive DuMONT distributor—with a protected franchise in your area. Nobody will be able to sell a DuMONT—except you. Which means much higher profit margins—for you and your dealers.

**DuMONT quality sells!** DuMONT's technologically advanced features, exquisite genuine wood veneer cabinetry and attractive price add up to consumer appeal—and sales. We've proved it to other distributors. And we can prove it to you. For details, call Sam Schwartzstein at (201) 763-6343. Quick—before someone else in your area beats you to it.



# DuMONT

First with the finest in television

MAY, 1981

plans to continue  
they are produced.  
goal is to sell  
by year's end.

MERCHANDISING

Atari Inc., 1265 Borregas Ave.,  
P.O. Box 427, M. Sunnyvale, CA,  
94086.

MAY, 1981



**DuMONT**  
First with the finest in television

94

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Grand Avenue,  
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### debuts

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up pink noise  
measurement  
retail for the

12th St., S.W.,  
86.

MERCHANDISING

## Quasar debuts cassette combos

FRANKLIN PARK, IL—Quasar has expanded its audio line with the introduction of four AM/FM-stereo/cassette combinations. Each system comes with a built-in condenser microphone, balance control, tape counter display, auto stop, pause control and one-touch record control. Each can be used as an auxiliary speaker system.

Model GX 3661 is a four-speaker system with Dolby noise reduction, synchro-touch tape system and tape program sensor. Model GX3641 has a quartz digital clock/timer and alarm.

GX3621 in a two-speaker model with continuous tone control, stereo matrix switch, tape speed control and microphone mix control. Model GX3611, also a two-speaker system, has LED battery level and record in-



Quasar Model GX 3661

dicators, along with other features.

Prices for the systems are: GX3661, \$419.95; GX3641, \$299.95; GX3621, \$199.95 and the GX3611, \$149.95.

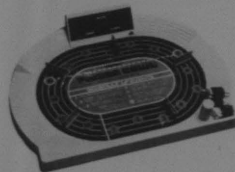
Quasar Co., 9401 W. Grand Avenue,  
M. Franklin Park, IL, 60131.

## Tiger's 'Finger Bowl' features eight events

MUNDELEIN, IL—Finger Bowl, an electronic game from Tiger, features eight events on an oval, numbered track of a simulated, miniature sports arena.

One to eight players compete with their fingers in teams or individually in events such as walking race; hop, skip and jump; relay race; discuss; hurdles; pole vault, and more. Suggested retail price is \$40 to \$45. The product was shipped May 1.

Tiger Electronic Toys, 909 Orchard,  
M. Mundelein, IL 60060.



Finger Bowl electronic game

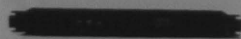
## Carver introduces add-on sonic hologram generator

LAS VEGAS, NV—Carver Corp. has introduced the C-9, an outboard component which permits the addition of Sonic Holography to existing audio systems, even those that do not feature separate components.

The C-9 sports sonic hologram generator with an enlarged listening window for wider coherence. Bass anomalies due to room standing waves have been eliminated. In addition, the mid-range and high-end have been improved, providing tighter imaging, increased room localization and smoother frequency response, the manufacturer claims.

The Carver Corp. C-9 has a suggested retail price of \$279.

Carver Corp., P.O. Box 664, M.  
Woodinville, WA, 98072.



Carver C-9 generator

## MRC Crypto 1 features two-way speaker

EDISON, NJ—Model Rectifier Corp. has introduced Crypto 1, a multi-function telephone that includes a two-way speaker. It also has an automatic, one-button dialing system with a memory of 52 phone numbers.

The phone can automatically redial busy numbers up to 16 times at 30-second intervals. In addition, the system can be programmed to call up to eight telephone numbers in sequence.

Other functions include a built-in digital clock that shows hours, minutes, seconds and date, a 1,000-year calendar and a stopwatch. The clock has seven programmable alarms.

Compatible with most plug-in sys-

tems, the Crypto 1 has a suggested retail price of \$299.95.

Model Rectifier Corp., 2500 Wood-  
bridge Ave., M. Edison, NJ, 08817.



MRC Crypto 1

## WHEN YOU RECOMMEND A MICROCASSETTE RECORDER YOU SHOULD RECOMMEND THE BEST MICROCASSETTE TAPE...

## PEARLCORDER. THE ORIGINATORS.

Now available in 30, 60, and 90 minute durations to meet virtually any of your customer needs. The new 30 and 90 minute Microcassettes are made with the same dedication to quality and fidelity as our MC-60 and MC-60-AD. Quality and performance that will keep your customers... your customers. And, your profits at a maximum.

The highly precise mechanism and the finest tape available, combine to make Pearlcorder Microcassettes the one you can recommend with confidence. Confidence that a Pearlcorder Microcassette will give your customers hours and hours of trouble-free, dependable service.

Pearlcorder Microcassettes are completely compatible with all brands of (MICROCASSETTE) recorders. The full line of tapes include the MC-30 (15 min. per side) MC-60 (30 min. per side) MC-60-AD (extended fidelity) MC-90-AR (45 min. per side) and... a head cleaner tape HC-T, an exclusive with Pearlcorder, to help maintain sound quality of any microcassette recorder.

Pearlcorder Microcassettes. Now that you know about the quality, you should be recommending them to all your microcassette customers.



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MICROCASSETTE<sup>TM</sup>

Sight and Sound That Touches Life

PEARLCORDER DIVISION  
OLYMPUS CORPORATION OF AMERICA

**Pearlcorder** MICROCASSETTE<sup>TM</sup>

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New Hyde Park, New York 11042

Please send me information on the most profitable microcassette tape line in the industry.

NAME \_\_\_\_\_

STORE NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_

ZIP CODE \_\_\_\_\_

MAY, 1981

57



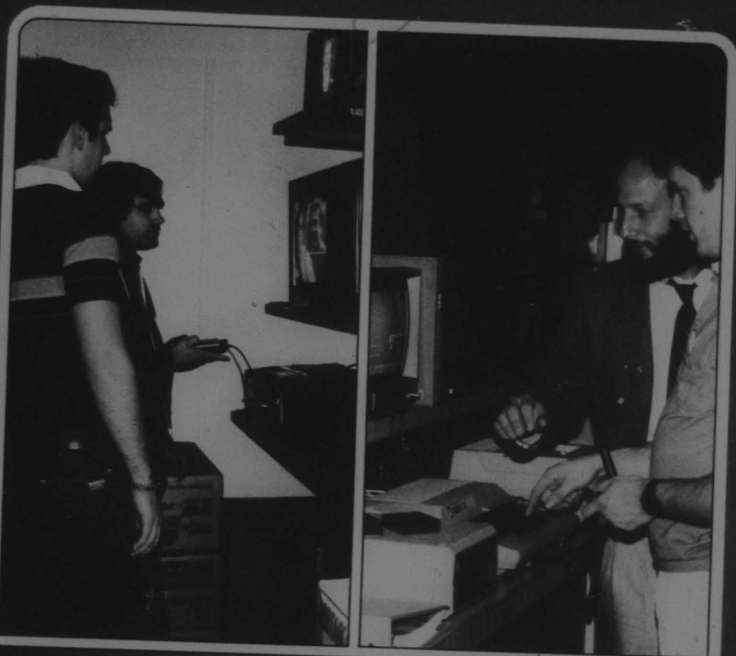


A GRALLA PUBLICATION

# Merchandising

JUNE 1981

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS



**Survivors of the '80s**

**Electronics  
retailers outline  
key strategies  
that keep sales  
humming**

**Computer prizes lure  
6,000 prospects**

**Hi-fi seminar series  
caters to women**

**Ads spark \$30,000 in  
autosound sales**

**Same-day TV service  
draws customers**

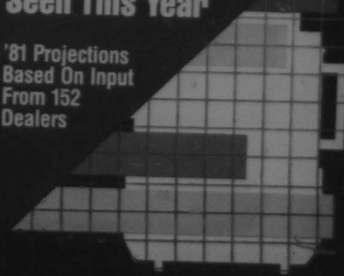
**Offbeat contests pull  
weekend traffic**



**NARDA's Six-Step Plan:  
Use It And Close Up To 90% Of Sales**

**Food Processors:  
28-33% Sales Gain  
Seen This Year**

**'81 Projections  
Based On Input  
From 152  
Dealers**



## TRENDINGS IN PERSONAL ELECTRONICS

### Pick hand-helds carefully to maintain margins in fall

The big growth in hand-held electronics games is over, and it is doubtful that anything shown at the Consumer Electronics Show can help change that. Still, retailers who carefully observe the latest directions of this post-shakeout industry can again avoid the low-balling that surfaced last fall.

This price cutting of simple-action sports games continues even now, with one leading chain cutting some prices by 70 percent. Reacting to this type of merchandising, many retailers have said they are cutting back on both their number of suppliers and sku's.

According to many, the trick is to offer the customer play value, and the latest game variations, generally at an under-\$35 price point. Higher-priced games are often admired for their realistic LCD and fluorescent displays. Yet, in these inflationary times, Dad may not have the necessary disposable income.

Speaking of Dad, if he's a chess player, he has likely been attracted to one of the latest electronic chess sets. (See story on page 92) These are now available in a wide variety of sophistication and price levels, and more are expected.

#### Hands-on approach helpful

As with all electronic board games, they should be demonstrated in order to maximize sales. If this is not practical, salespeople should at least be able to explain the game's features.

Like board games, hand-helds also benefit from demonstration. A series of the latest games, arranged on top of the counter and secured by unobtrusive chains, is one possible variation. Giving away a free game to the week's high scorer can be another. A pegboard display, at the very least, allows the public to see a game instead of a box.

A bona fide growth category, learning aids figure to make their biggest impact ever at this show. They are still a small slice of the electronic game pie, however, with less than 20 percent of dollar volume. Units at CES will be priced from under \$50 to over \$150 retail, depending on the sophistication of the product. This type of game, also, benefits from a hands-on approach.

Overall, the hand-held game category figures to continue to grow, albeit slowly, through at least the mid-80's. Those retailers who continue to press forward in establishing an image now will likely benefit in the future.

Depending on the competition and the geographical area, this need not mean generally making only a few points. The view from here is that careful selection of games, backed by brands with strong national advertising, is essential.

#### National ad backup needed

The next step is a consistent program of local advertising, aided by co-op funds as much as possible, this fall. Besides contests and demos, attractive signage and displays are beneficial, as always.

A reorganization of the electronic department layout can also be helpful. Some retailers have successfully

grouped all hand-held, board and video games in one area. At the very least, keeping adult-appeal games out of the toy department seems a logical step for many.

Some of these ideas, and other, similar ones, will likely be discussed at the CES personal electronics conference. Dealers who consider themselves serious about making a good profit this year should consider attending.

The conference offers an opportunity to interact with other retailers,

and to see what excites them. Will some pronounce themselves to be tired of banging their heads against the wall with low-balled games? Will they instead put more open-to-buy dollars into other categories, like LCD watches?

Will many retailers take the plunge for over-\$60 hand-helds? How many others will decide to forget about these games for now?

This business seems a natural for department stores and other merchants who know how to promote this year's "winners." There is a lot more to knowing which games to go with heavily than asking your son whether he would like to own one. All in all, though, that might not be a bad idea, either.



William Silverman

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THE WORLD'S ONLY PORTABLE ELECTRIC TYPEWRITER  
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## SURVIVORS OF THE '80s

# High-end approach boosts Davison's radio/cassette volume

By Nancy Markov, associate editor

ATLANTA—Keeping on top of new products and dealing primarily in high-end goods has permitted Davison's to realize consistent double-digit growth in its radio/cassette department. And, according to Carroll Jacob, merchandise councillor, this growth will continue through 1981.

A lot of the growth, said Jacob, is due to the direction that has come from Bob Berman, merchandise administrator of home entertainment, and Phil Kineswicz, buyer of radios and cassette recorders.

Open floor display techniques, begun in 1980, have also helped to maximize this business. In addition, said Jacob, merchandise such as clock radios and cassette recorders are still affordable to that consumer who wants the satisfaction of a purchase—but can't afford, say, a new TV.

"AM/FM radio/cassette recorders are our greatest single strength right now," Jacob reported. "There has been a natural development of this business. The consumer has long been interested in hi-fi and car stereo. Now, cassette recorders allow him to take his music with him when he is not at home or in his car."

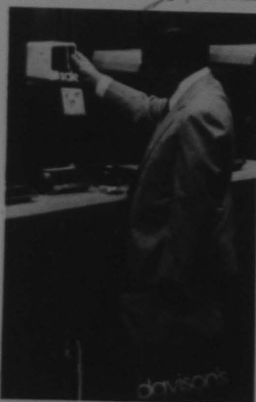
According to Jacob, there have been more developments in the radio/cassette area in recent seasons than in any other electronics category. And this has been a source of volume growth.

Just a couple of the strong items introduced, he said, have been micro-cassette recorders and clip-on models such as the Sony Walkman. And the AM/FM stereo cassette recorders available today, both large and small, Jacob pointed out, are really mini-hi-fi systems.

Now, Davison's is looking to the CES, hoping that additional exciting products will be unveiled for the all-important holiday selling season. About 65 percent of the radio/cassette department's business, Jacob pointed out, is transacted in the last half of the year.

### Hands-on display used

Davison's maximizes the potential of this category with its approach to merchandise display. Where these products used to be under glass or behind



**HANDS-ON DISPLAY** technique means Davison's radio/cassette recorder customers can touch and play the merchandise.

counters, they are now out in the open in a "hands-on" situation.

The 500-sq.-ft. area (in the downtown location) consists of a 20-ft. wall with three shelves, an open floor display and a service island. "The customer can get to the merchandise—touch the product, play it, use it," Jacob noted.

This tactic was initiated by the department's merchandise administrator, Bob Berman, about 15 months ago. Said Jacob, "It shows the customers we are in this business in an important way."

"The consumer," he went on to say, "is involved and aware. He wants to buy these products—if they are right

in design, function and price." That's why Davison's buyer, Phil Kineswicz, has done an outstanding job in finding the right products in our market, Jacob explained.

In addition, he pointed out, "Davison's backs its assortments with the most competent sales staff we can get. We carefully screen our personnel for electronics and hire those who we feel are knowledgeable and enthusiastic about the products."

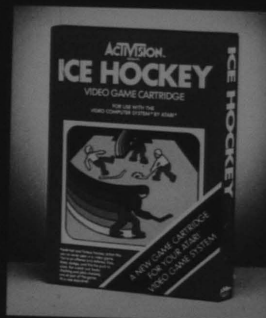
### Brand names demanded

"The right merchandise at competitive prices with the margins the store requires is hard to find," Jacob said.

"But, it's important to give the customers what they want, such as brand names. Davison's wants to stay with more recognizable, nationally known, name-brand items with better performance features," he added.

In radio/cassette recorders, Panasonic and Sony are the principal brands. Davison's, said Jacob, prefers to leave the sale of lesser-known names to other merchants in the area. "We offer value in what we do carry rather than attempt to have the lowest-priced items available." Davison's assortments represent all price points and features, not just so-called leader

(Continued on page 110)



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**TWELVE TO 15 CUSTOMERS** were in the store at all times during a recent promotion, says Barry Kagan, co-owner of Mobile Sound Systems.

## Four consecutive brand promotions result in \$30,000 car stereo volume each weekend

By Nava Benjamini, contributing ed.  
DALLAS—A \$60,000 ad campaign generated over \$30,000 in car stereo sales for four consecutive weekends at Mobile Sound Systems' newest store.

In addition, the promotion more than doubled weekend traffic at the company's three other stores in Hurst, Arlington and Ft. Worth, TX. "We geared our ads towards the Dallas opening, but sale prices were good in all our stores," Barry Kagan, one of Mobile's three owners,

told *Merchandising* in a recent interview.

The promotion featured sale prices on car stereo equipment by manufacturers such as Pioneer, Jet Sound, Altec-Lansing, Kenwood and Sony. Other grand opening promotions included two prize drawings plus more than 1,000 free T-shirts and visors.

Penthouse Pet Dusty Jackson was present to introduce Jet Sound products, and several manufacturers' representatives were available to answer customer questions.

"We had an average of 12 to 15 customers in the store at all times," commented partner Alan Kagan. "People were literally coming in, picking up items off the display and buying them."

### Campaign generated sales

The four-week campaign was the first of its type for Mobile Sound Systems, a car stereo specialty shop, which opened its fourth store in four years.

"We advertised in all the metropolitan newspapers with one institutional and one product-oriented ad," Kagan noted. The institutional ads were approximately a half-page long and appeared in Thursday, Friday and Saturday papers each week. Product ads measured about a quarter of a page.

"We spent approximately \$60,000 on this campaign and we sold far more than we anticipated," remarked Kagan. "The Dallas store totalled over \$30,000 in sales each weekend."

Each week, starting March 19th, focused on a different product line. The first week kicked off the promotion with the Penthouse Pet introducing Jet Sound Products.

Week two featured Altec-Lansing equipment and Kenwood car stereo products. Two grand prize drawings were also held.

"We gave away a \$450 Altec-Lansing speaker system and two \$900 Kenwood systems in the drawings," Kagan said. "We had at least 300 people come in to register that week, and the customers didn't have to be present to win," he added.

In addition, Mobile distributed over 500 Kenwood and 500 Pioneer T-shirts as part of the promotion. Tennis and golf visors plus car stickers were available for free.

Week three featured Pioneer car stereo equipment. "The best sellers were model KP-5500 and 4500 radios, and TS-695 speakers," Kagan remarked. "It was our most successful week during the entire month. Our distributors were on call at all hours in case we ran out of merchandise."

### Brand recognition important

According to Kagan, week three of the sales generated about five times more people than any other week. "I think it was mainly because of Pioneer's name. People are more familiar with its products," he added. The fourth week featured Sony's line of car stereo products.

Manufacturers' representatives were posted in the store to help Mobile's sales staff during the promotion. "Having the reps helped our sales tremendously," Kagan noted. "People like to talk to them about the products."

To Kagan's surprise, however, the Penthouse Pet promotion didn't generate as much business as he expected. "I think it was because of our timing. It probably would have been more profitable to run that ad at a later date. People were not yet familiar with our store," he commented.

"We're a new concept in car stereo stores," said Kagan. "We are the only store in this area that carries such a large volume of high-end car stereo

(Continued on page 50)



new.

### ICE HOCKEY AND STAMPEDE™

Activision's two newest game cartridges for use with the Atari™ Video Computer System™ and Sears Tele-Game™ Video Arcade. They're coming this December.

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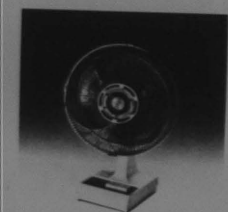
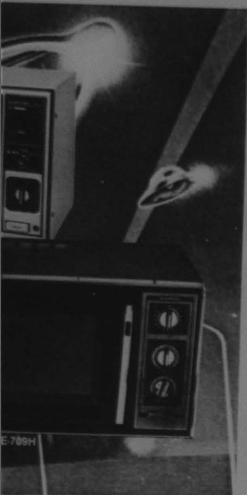
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## APPLIANCES



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## CES PRODUCT REPORT

### Freeway and Kaboom join Activision line

SANTA CLARA, CA—The Activision line of video game cartridges increases to 10 with the introduction of Freeway and Kaboom.

Freeway features eight different games which have variations of 10 lanes of traffic. Some have a few slow-moving cars, high-speed traffic, bumper-to-bumper cars and trucks. In addition, the player can use a joystick to maneuver a chicken from one side of the freeway to the other, scoring a point for each successful crossing.

Kaboom has an animated cartoon convict who roams across the top of the TV screen dropping black bombs with lit fuses. The player must catch the bombs in one of the three water buckets. Each successful catch gets a point, but each bomb missed causes all the bombs on the screen to explode, and the removal of a bucket. The game ends when all three buckets are gone.

Both Freeway and Kaboom have one- and two-player variations. The



Activision's Kaboom cartridge

games carry a suggested list price of \$22.95 and will be available to dealers in July.

Activision, 3255-2 Scott Blvd., M, Santa Clara, CA 95051.

### TDK offers high grade Beta L-500 videotape

GARDEN CITY, NY—TDK Electronics has introduced a high-grade Super Avilyn HG Beta videotape in the L-500 length. The company introduced a high grade VHS tape at the 1980 Summer CES.

The HG tape has the same binder system as the current line of Super

Avilyn tapes, but the Avilyn particles are 3/5 smaller.

The tape will be available in the fall at a suggested retail price of \$22.50.

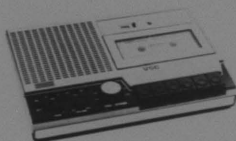
TDK Electronics Corp., 755 Eastgate Blvd., M, Garden City, NY 11530.

### VSC Speech Controller speeds listening 100%

SAN FRANCISCO, CA—The portable Speech Controller cassette recorder, model C-4, is the new speech compressor entry from VSC Corp.

It cuts listening time in half by enabling the user to play any standard audio cassette at twice the normal speed without voice distortion. The unit also has settings for normal speed and 80 percent of normal speed, aiding note-taking, for instance.

Other features include AC/DC operation, tone control, mike sensitivity selector, auto stop, cue and review and VSC bypass switch. A complete line of accessories is available.



VSC Speech Controller

The Speech Controller has a suggested retail price of \$179. VSC Corp., 185 Berry St., M, San Francisco, CA 94107.

### Emerson stereo system has equalizer

SECAUCUS, NJ—A modular compact stereo from Emerson Radio includes a graphic equalizer.

Model MC2590 has an AM/FM stereo receiver with FM stereo indicator light, and an LED signal strength meter. A built-in recessed semi-automatic turntable, a stereo headphone jack and a hinged dust cover also are featured.

The unit's cassette deck has "feather touch" pushbutton controls. Other features include LED indicator lights, a digital tape counter, left and right microphone jacks, separate record level controls and a five-band graphic equalizer.

A pair of System X two-way speakers is included with the unit. An additional pair of speakers can be connected to provide quadrophonic sound. The system can also accommodate 23-in. speakers.

The suggested retail price is \$499.95.

Emerson Radio Corp., 1 Emerson Lane, M, Secaucus, NJ 07094.



Emerson MC2590

### Dumont adds to color TV line: nine sets include four consoles

SOUTH ORANGE, NJ—Nine color televisions have been added to Dumont's line including four 25-in. consoles, three 19-in. table models and two 13-in. portables. The sets are divided into two series: Galaxy II and Galaxy.

All Galaxy II sets have cable-ready hookup capability. Three of the models, the 25-in. Saturn (DL4839KR), 19-in. Columbia (DL1939WR) and 13-in. Northstar

(DL1381) have an infra-red remote control system with 16 buttons for scanning up or down, direct access, on/off, volume control and muting.

The other Galaxy II sets are 25-in. The Aires (DL3963A) with American styling and pine veneer top; 25-in. The Taurus (DL3937K) a contemporary set of oak veneer and solids and 19-in. The Mercury (DL1932W) with 12 button tuning.

The rest of the line includes 25-in.

The Jupiter (DL3925P) with Mediterranean styling and genuine pecan veneers; 19-in. The Mars (DL1911W) with 70-position UHF mechanical tuner; and 13-in. The Solar with black matrix in-line picture tube, automatic peaking, or sharpness control, and white/black level control.

All the sets have open list prices. Dumont Consumer Products, 76 South Orange Ave., M, South Orange, NJ 07079.

### New Marantz components 'turn gold,' plating will reduce oxidation problems

NEW YORK—Marantz has introduced a line of gold audio components. Input and output jacks on receivers, cassette decks, amplifiers, tuners and equalizers are 24-karat gold plated for oxidation-free low-distortion connections. Turntable output cable plugs and headshell pins are also gold plated.

In addition, all pieces feature gold-colored front plates and controls.

Among the introductions are four True Power receivers (SR 3100, SR 1500, SR 7100DC, SR 8100DC) with power outputs ranging from 44 to 90 watts per channel. Models SR 8100DC and SR 7100DC receivers feature microprocessor design for the Computer and programmable time functions. The SR 8100DC features a built-in five-band graphic tone equalizer. Suggested retails run from \$350 to \$750.

In metal tape capable Dolby cassette decks, Marantz has introduced the SD 1015, SD 2030, SD 3030, SC 5010 and the SC 9000 (G) CompuDeck. The slim-line SD 5010 features a motorized linear skating drawer mechanism. The front panel opens at the touch of a button and the tape drawer slides out for loading.

The SD 9000(G) CompuDeck sports computer programmability. The SD 3030 is equipped with Dolby CNR. Suggested retails range from \$200 to \$830.

New turntables sport low-mass straight-line tonearms for lower distortion and tracking error. The TT 1200, TT 2200, TT 4200, and TT 6200 all have viscous damped cueing, floating subchassis suspension and front panel controls. Prices run from \$130 to \$310.

Marantz's EQ 20 Control Graphic Tone Equalizer has a 10-octave frequency range, separate right/left



Marantz SD 5010 cassette deck

channel controls and tape EQ recording function. Suggested retail is \$250.

In addition, seven Marantz Golden Renaissance matched stereo systems debuted. All include matched amplifiers, tuners, turntables and loudspeakers. Each features a stack or low-boy rack with glass doors. Two systems include the EQ 20 equalizer.

Gold Dimensions loudspeakers (M-2, M-400, M-600, M-16) feature Linear T Drive design, constant radiated power and low stored energy. Power maximums range from 150 to 250 watts. Prices range from \$380 to \$1,500 per pair.

Also introduced were seven new portables—stereo radio/cassettes (PMS 3020, PMS 3040, PMS 3500), professional mono two-speed cassettes (PMD 200, PMD 220) and professional Dolby cassettes (PMD 340, PMD 360).

New car stereo products include six AM/FM stereo cassette tuner/preamps and three component power amplifiers. Receivers and tuner/preamps have gold or gold on black faceplates. Prices range from \$235 to \$625. Amplifiers run from \$85 to \$170. Marantz, 20525 Nordhoff St., M, Chatsworth, CA 91311.



Telcom model 402P

### Telcom cordless phone has traditional styling

SAN DIEGO, CA—Model 402P cordless telephone from Telcom provides voice communication up to 500 feet from its base unit.

The traditionally styled telephone has push-button dialing, adjustable volume control and a last-number-called redial feature. It is powered by a rechargeable battery.

The unit adapts to intercoms and key sets and is available in white and decorator colors including harvest gold, chocolate brown and red. Backed with a one-year limited warranty, the cordless telephone has a suggested retail price of \$299.99.

Telcom, Inc., 555 Raven St., M, San Diego, CA 92102.





## NEWSFEATURES

# Explain three key features to sell electronic chess sets

By Howard S. Rauch, editorial director

NEW YORK—Is an electronic chess set programmed to play the white pieces as well as the black ones? How broad is its opening repertoire? Does it have a "blitz" feature that allows the player to simulate a five-minute game?

These three features, in my opinion, deserve the most explanation when a dealer is trying to sell a consumer on a set, be it a basic model in the \$70 range or a more elaborate rendition in the \$800 to \$1,000 range.

Unfortunately, many stores I have visited make no effort to sell the sets they carry. Instead, representative sets are left out for the shopper to "play" with. The belief, I suppose, is that the novelty of the set will sell itself. But there must be a better way.

I was prompted to write this article—a departure from *Merchandising's* usual editorial style—because I am a tournament chess player (current USCF rating of 1997) and believe many of these machines can be excellent training tools for players of under 1600 strength.

### Attract lesser-strength players

True, there are several machines that have stronger programming, but the real market for dealers is among those many players of lesser strength. So for those of you who would like to get more action out of your electronic chess line, this article hopefully will

provide some useful ideas.

My first proposal is that anyone assigned to sell electronic chess sets be capable of demonstrating the three key features:

(1) Plays either white or black. To the advanced chess buff, the chance to play black is more useful. It gives you a chance to experiment with new defenses, of which there are many, many options.

Just to use a personal example, I've been playing chess seriously for 20 years. Against queen pawn openings, I've played either the Slav or something called the Orthodox Defense. Now I've finally come around to trying the Nimzo-Indian (don't some of these openings have remarkable names???)

I've been using a "sensor board" at a local club for the experiment, and it's been very helpful. But a lower-rated player could accomplish the same "learning" objective with a less expensive set.

(2) Offers broad opening selection. Even inexpensive units play such defenses as Caro-Kann, Sicilian, French, King's Indian, Queen's Gambit Accepted.

A salesman can demonstrate this feature easily by running up the first few moves for both sides, then "resetting" the board and making a new series of opening moves.

What is more impressive, of course, is to demonstrate that with



THREE KEY FEATURES of electronic chess will appeal to the broadest array of buyers: white or black play, broad opening selection and "blitz" feature.

the newer, high-ticket units, sophisticated programming allows a machine to play more than one variation of a given defense when it has the black pieces.

(3) Has "blitz" feature offering five-minute play. At the last Consumer Electronics Show, I came across only one unit with the timer adaptation. On this matter, I might mention to retailers and manufacturers alike that five-minute chess is a religion practiced by masters as well as "fish."

There is much to be gained, I think, by working out against a machine. If the player can trounce the machine playing even, he could always give the machine time odds (like taking three minutes and giving the machine five).

### Sell a package

There are some other ideas that come to mind, one a little unusual, that dealers might wish to consider:

• Sell a "beginner's" package. My thought here is to take the machine and combine it with a book (or books) on openings, and even a chess clock when a set doesn't have the "blitz timer" feature.

Time is the key to successful tournament play. With an electronic set and a clock, tournament conditions can be recreated.

• Be sure equipment is working properly. How can a dealer create confidence in the equipment if it

responds "illegal" every time a legitimate move is made? If the demonstration model is on the fritz, pull it off the floor.

• Encourage potential customers to practice "gambit" openings. To oversimplify, a "gambit" involves sacrificing material in the opening, usually a pawn, for eventual gain. Electronic sets are very stingy; it's much harder sometimes to regain what you've given up, especially against the stronger programs.

• Don't be confused by equipment "ratings." At the January CES, one salesperson showed me a unit that supposedly had an "Expert" rating. In official chess terms, an "Expert" has a rating of 2000 or above.

Many electronic sets have not been rated; strengths are estimated. Most do not have a 2000 rating; "Expert" may simply signify that the machine takes longer to search for a move at "Level 9" than it would at Levels One, Two or Three.

All in all, electronic chess sets are really very exciting devices, getting more sophisticated all the time. Eventually, manufacturers may want to develop "three-move" programming, similar to what's done in checkers to achieve maximum variations. Such programming would force opponents into unusual or irregular openings. Even now, many sets would probably fare better out of the book than their human opponents.

Chess anyone???

## Panasonic joins AHAM, taps Tanaka

CHICAGO—The Panasonic Co. Home Appliance Division of Matsushita Electric Corp. Of America has joined the International Portable Appliance Division of the Association of Home Appliance Manufacturers (AHAM). The association is an international trade group that represents both major and portable appliance manufacturers and suppliers to the industry.

Panasonic manufactures air heaters, juicers, juice extractors, rice cookers, food processors and massagers. Ted Tanaka, Panasonic's vice president and general manager, will serve as the company's official representative to AHAM.

Coming in July: NHMA at-show issue

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A GRALLA PUBLICATION

# Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS



**New VCR's, matched audio components,  
low-cost computers star at CES**

**Survivors of the '80s**

**To build  
excitement and  
create new sales  
in housewares:**

**Faucette clues  
shoppers in on wholesale  
prices/markups**

**Carson Pirie Scott  
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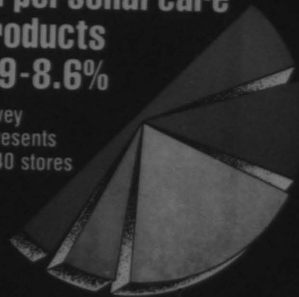
**Dayton's revamps  
department focus  
around basics**

**Rebecca's juggles  
catalog formats to build  
customer awareness**

**Lazarus salespeople  
build know-how with  
learn-at-home technique**

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on personal care  
products  
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Survey  
represents  
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## CES REPORT

## Retailers give blister cards cool reception; solar calcs and musical LCD's make inroads

By William Silverman, sr. assoc. ed.

CHICAGO—Most retailers attending the Consumer Electronics Show gave a cool reception to blister- and skin-wrapped calculators and watches. The main problem, they said, is potential pilferage.

At least seven suppliers of calculators and three major watch companies plan to expand their low-end distribution with this technique. Most of them have never done so before, or tried it and gave it up several years ago—again, mostly because of theft problems.

On the other hand, most retailers said they do not fear the resultant new competition from supermarkets, drug and auto supply chains, and the like, which would carry the shrink-wrapped products. For many, such low-end merchandise that would be so packaged is now only a small part of their watch and calculator volume.

Of more interest, some merchants said, were handheld printers and solar-powered calculators that do not use batteries.

As for watches, added features continue to strengthen alarm-chronograph volume, they said. The thinness of these timepieces was admired by many, along with combination analog-digital displays made up of LCD segments. In addition, there was a "talking" watch and a few others with "space" games.

Also on the minds of retailers and manufacturers alike was the show-timed announcement by Texas Instruments that it would make a long-rumored move out of the watch business.

### Pilferage problems feared

Although discount store buyers were more enthusiastic about blister cards than other store representatives, the fear of theft was mentioned by many.

"I wouldn't push a more sophisticated calculator like that," commented Jack Anzaroot of Ralph's Discount in Pittsburgh. "To me, it says, 'Steal me,'" the merchandise manager said. Because calculators are such a "broad category," though, the expanded distribution that would result "can't hurt anyone," he said.

Skip Purton, owner of a general merchandise mall store in St. Paul, said "The blister-card calculator fits in; we'll keep it near the checkout."

According to Vendel Vegh, owner of Western Electronics in South Bend, IN, "Competition from mass merchants won't affect us because people come to us for higher quality." Although the low-priced card calcs would help increase traffic, he said, he was not interested because of the pilferage problem.

Conversely, Ted Wyman, watch buyer at Hills Department Stores, Canton, MA, said, "I am very excited about the prospect of blister-carded watches."

"Like the calculators we carried this year at under \$10, for mass appeal they are very good," he continued. "Pilferage is always a problem, but if sold for under \$15, the pickup in traffic would outweigh the problem."

It was at the winter CES that Canon U.S.A. came out with the first



FAVORABLY IMPRESSED by blister-carded watches and calculators is Ted Wyman (right), buyer, Hills Department Stores.

of the new self-merchandisers. "Our experience with drug and discount stores has been very successful, we are negotiating with a couple of supermarkets," said advertising and sales promotion manager Harry Iwanami. Two more blister-packed handheld models were added here.

"Department store volume in calculators has fallen off in the past two years," explained Royal Business Machines product manager Martin Melnick. "They can't afford to concentrate on such an inexpensive product as our new 'Try Me

Now' packaging. Their current customer is buying a high-end calculator."

"Eight models, priced from \$10 to \$30, have been skin wrapped in a 'Try Me' approach," said Murray Nass, APF Electronics vice president of sales. "There is no question in my mind they'll catch on with mass merchants in the next quarter."

Among the introductions from Casio was a ladies' designer micro-calculator line. "Calculators that sell," said president John McDonald, "are those loaded with features that just a few years ago one would never have thought possible."

Some retailers, like Peter Skalski of Phototronics, Winnetka, IL, noted a demand for mini calcs with audio tones. "Every manufacturer has a small printer now," he added. "I prefer the regular paper type; there is some resistance to the other. The \$50 to \$60 range sells best."

### No batteries required

True solar power was in evidence, too, and drew a generally favorable reaction from calculator retailers. However, two buyers from Radio Shack Canada expressed differing opinions. Dennis Tremblay saw it as the "newest salable feature," while Dave Ferrif found it to be "gimmicky."

Panasonic introduced two solar handhelds, and a talking calculator at \$139.95 that can review 22 steps. "This year, a lot of people are doing a lot of different things with cosmetics," said division sales mana-

ger Tom Nugent. "There is a color selection on some models. In handheld basics we have gone to a black and silver design."

According to Sanyo Electric division sales manager Martin Gerber, "The color, designer look is beginning to take over. Solar is growing," he continued, "and printers will also continue to grow in sales."

Said Keith Rapp, vice president of Novus Electronics, "Over the next year the largest segment for growth will be printers." The company, now owned by Leisurecraft Products, continues to manufacture calculators and watches with the NSC logo, formerly owned by National Semiconductor. It has introduced a \$30 mini-sized printer.

"The specialty market is becoming very important in handhelds," said Melnick of Royal. "There is a tremendous amount of interest in solar. And every year, we're taking cosmetics and improving them more and more."

Packaging, cosmetics and features for watches also are evolving. Among the firms introducing blister-carded watches was Commodore International, with 15 models, priced to retail from \$7.95 to \$19.95. "This range accounts for 65 percent of all watches sold in the U.S.," said vice president Keith Hollandsworth. "Our objective is to bridge the quantity part of the watch market."

"Others at the show will have to do it eventually," he commented. "We are approaching the era of disposable watches."

However, "Although certain mass merchants will certainly use the product, others, like catalog showrooms, definitely require more traditional displays because they want to pre-

(Continued on page 54)

## Big growth predicted for educational games

By Rhea Dawson, field editor

CHICAGO—Manufacturers of video and handheld electronic games are predicting continued growth in both categories this year, with greatest sales and new product increases forecast for educational programs. "The future will be good for both types of games," said Richard Hoag, vice president, sales, Mattel Electronics, at the Summer Consumer Electronics Show.

"There are certain advantages—portability being number one—to handhelds," Hoag added. Several competitors concurred, though some questioned the viability of the many new sports-oriented games—citing last year's disappointing Christmas sales. Yet others predicted success for the new sports-themed handheld games.

"Sports has not slowed down significantly," said Mike Katz, vice president of marketing, Coleco. He noted the firm's 30 to 35 percent sales increases in handheld games in 1980. "Anyone who says growth has stymied in handheld games doesn't know what he's talking about," he added.

Katz predicted that publicity generated by arcades will stimulate sales in sports and arcade-type games. Jerry Michaelson, vice president of sales, special markets, Magnavox, noted high retailer interest in sports and arcade games, too.

Michaelson said he believes fantasy and board games will grow in

popularity, citing The Quest for the Rings as the first time that a keyboard, gameboard and game have been integrated. "Board games will be perceived as having more value because the player will not just be spending a few hours mastering a cartridge," he said.

### Educational games hot

But most manufacturers agreed educational programs will proliferate in the near future. "What we see in educational games is just the tip of the iceberg," said Mattel's Hoag, who introduced the Children's Discovery System at the show.

He said the declining quality of public and private education will foster sales growth. "Now children must supplement their schoolwork. The only way to achieve personalized education is through computers," Hoag added.

Maria Li, sales manager, Enterprex, predicted educational games will grow dramatically in popularity in coming years but expects handheld games to disappear unless they can be marketed in the \$5 range. "I think video games will take over," she said.

Manufacturers are forecasting price increases under 15 percent this year. Coleco's Katz said he thinks popular price points will remain in the \$30 to \$50 range. But Mattel's Hoag believes prices will increase as games become more sophisticated and offer more features.

The one feature most manufactur-



EXPLAINING QUIZ WHIZ, Mike Katz (left), vice president, Coleco, shows the game to (left to right) William Mair, vice president, The Video Place, Plymouth, MI; James Mair, president, The Video Place, and Rob Edelstein, Coleco.

ers point to as the prime selling point of the games is programmability. This year, Coleco introduced Total Control Four, a cartridge-system sports game and Enter introduced Select-a-Game, which includes a Space Invaders cartridge and has five additional cartridges available.



Tom Nugent. "There is a color on some models. In handbasics we have gone to a black over design."

According to Sanyo Electric division sales manager Martin Gerber, color, designer look is beginning to take over. Solar is growing, continued, "and printers will also be due to grow in sales."

Keith Rapp, vice president of Electronics, "Over the next few years the largest segment for growth will be printers." The company, now owned by Leisurecraft Products, continues to manufacture calculators and watches with the NSC logo, formerly owned by National Semiconductor. It has introduced a \$30 mini-printer.

The specialty market is becoming important in handhelds," said Rick of Royal. "There is a tremendous amount of interest in solar. Every year, we're taking cost-cutting and improving them more and

imaging, cosmetics and features which also are evolving. Among firms introducing blister-carded products was Commodore International with 15 models, priced to from \$7.95 to \$19.95. "This accounts for 65 percent of all sales in the U.S.," said vice president Keith Hollandsworth. "Our objective is to bridge the quantity gap in the watch market." Dealers at the show will have to eventually," he commented, "be approaching the era of disposable watches."

However, "Although certain mass products will certainly use the products, like catalog showrooms, they require more traditional sales because they want to pre-

(Continued on page 84)

## Personal games



**WINNING QUIZ WHIZ**, Mike Whiz, left, vice president, Coleco, the game to (left to right) Wilbur, vice president, The Video Place, Plymouth, MI; James Mair, president, The Video Place, and Rob in, Coleco.

as to as the prime selling point games is programmability. This sleek introduced Total Control cartridge-system sports game exclusively introduced Select-a-Game, includes a Space Invaders and has five additional games available.

MERCHANDISING

## Suppliers and retailers get ready to break Ma Bell's bubble

By William Silverman, sr. assoc. ed.  
CHICAGO—Advertising and promotion hold the key to breaking Ma Bell's grip on the telephone market. Suppliers and retailers agree about that much.

What brings them nearly to blows, however, are discussions over who should finance the efforts.

While retailers argue that manufacturers are not doing enough to advertise phones and phone ownership, the suppliers themselves claim the merchants are lagging in providing in-store promotions.

Still, there are points of agreement. Both sides admit that broad inventories are necessary if retailers are to establish themselves as telephone outlets. And proper service, both sides say, is imperative if stores are to build a strong reputation.

They also agree that the new phones and answerers introduced at the summer CES were attractive and packed with enough features to draw even the most jaded consumers.

### Blasts retailers

"Retailers are not taking advantage of what's out there," asserted Leisurecraft Products vice president Larry Reichenstein at the CES Personal Electronics Seminar. "Point of purchase displays are not being used properly."

"There should be displays on the counter," he said, "and enough area given to the category in the store so that customers know where to go."

In regards to escalating rates from the phone company itself, he offered, "We have the answers on rising rates, but retailers don't ask. Certainly we should work together—the key is that the retailer must be aware of what the manufacturer has."

"Advertising is a real problem for the entire consumer electronics industry," Cobra Communications marketing manager Dennis Burke told the conference. But manufacturer margins are narrow, he said, and products tend to go down in price. That does not leave a lot to spend on promotion.

Later, he told Merchandising that Cobra would double its advertising by the end of this year, the result of doubling sales. Product developments using chip technology, coupled with advertising and federal deregulation, will draw attention to the industry, he said. As a result, "a lot of people will want to own their own phone."

### Supplier commitment questioned

Some retailers remain unconvinced of supplier commitment to advertising, however.

"We get very little help from manufacturers," Ben Hyman, owner of Telephone World, Richmond, VA, said after the conference.

Added Larry Deering, vice president of The Communicators, Inc., Dallas, TX, "Most manufacturers are product oriented. They have no decent marketing support for dealers, such as p-o-p and advertising."

Despite small margins, phone suppliers "should receive five percent of sales dollars for advertising from their parent companies," suggested Glenn Bokovoy, technical adviser at Telephones Minnesota, Minneapolis. "Basically, you don't get too much advertising for telephones or answering machines. There are some magazine ads, but nothing for the

mass market," he said.

Some manufacturers disputed retailers' assertions of a lack of backup. Freedom Phone cordless models were advertised in over 100 markets last year, asserted sales manager James Farland.

"Our job is to let consumers know they can own their phones," he continued. "The big thing now is exposure and education."

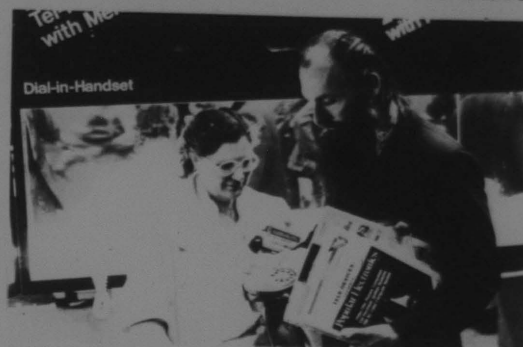
Also joining the chorus was Lou Gervolino, ITT vice president and director of marketing. Ultra 80 consumer advertising is running in seven major magazines through September. In addition, a free \$10 holder will be packaged with the phone beginning with October deliveries.

In answerers, "The problem is that there is not enough advertising at the national level to penetrate our market," said Code-A-Phone advertising director Mike Olmstead. "We look forward to a major competitor spending money," he continued, asserting that Code-A-Phone spends much more than other firms.

### Variety and quality stressed

Manufacturers and retailers at the show agreed on the importance of in-store product variety and quality. "Carry one of everything, rather than lots of something," advised Deering of The Communicators. "You become known as 'the' place to go."

Said Bob Winkler, president of sup-



**LACK OF AD BACKUP** was decried by telephone retailers such as Glenn and Ann Marie Bokovoy of Telephones Minnesota in Minneapolis.

plier Teleconcepts, "Proper inventory control and quality are all-important. Retailers should have a balanced inventory in low-, medium-, and high-end phones."

Added Steven Peake, retail sales director of Ford Industries and Code-A-Phone, "Carry more than basics and don't lock them in a glass cabinet."

Service is also a key issue in getting the public to accept independent phone suppliers and retailers, Peake said. Code-A-Phone will shortly have

in place 250 service centers across the country, he said. Meanwhile, warranties have been doubled to two years.

Service was also on the minds of other manufacturers and retailers. Leisurecraft "will have a full complement of 150 service centers, including some dealers, within 30 to 60 days," Reichenstein said. The 90-day over-the-counter exchange policy also continues.

"We have to give the customer just as good service as the phone

(Continued on page 88)

## Home computer vendors cut retail prices

By William Silverman, sr. assoc. ed.

CHICAGO—Suggested price tags for home computers have fallen by one third or more, as major suppliers seek to expand distribution and sales.

Retailers attending the Consumer Electronics Show were informed that Atari has cut the list price for its 400 model by 37 percent, to \$399. There has been a 33 percent drop, to \$300, for the printer.

A year ago, the Texas Instruments 99/4 home computer sold for \$950. The new 99/4A, available next month, will cost \$525, and will feature an easier to manage keyboard, said marketing manager Bill Turner.

In addition, the APF Imagination Machine this year has been reduced

in price from \$599.95 to \$399.95, to position it more firmly in the home market. Also, Bally again showed its \$299.95 Z-80 model; the Sinclair ZX-80 costs consumers \$199, and Commodore's VIC 20 is \$299.95.

Moreover, Casio president John McDonald predicted to Merchandising that his company would have a \$499 computer within a year. Its just-introduced business oriented model lists at \$1,195. And NEC sales manager Ron Robnow predicted a \$299 to \$399 introduction "in the future." Its present models start at \$1,195.

Meanwhile, national marketing of the Mattel Intellivision keyboard component, at roughly \$700 list, has been pushed back at least to January. The latest six-month delay is the result of an ongoing re-evaluation of marketing plans, according to vice president of marketing William Gillis. He denied any re-assessment of whether the \$1,000 game/computer system will be priced too high for the home market.

### Most retailers enthusiastic

If manufacturers seem united in the belief that there is an evolving market for home computers, some retailers are less certain.

For instance, Miriam Murphy, buyer for Computerland Corp., said, "The average consumer does not think he needs it. It's a lot of fun for the 'forefront of technology' people."

However, other retailers were more enthusiastic. "There's definitely a market for a \$200 to \$600 home computer," asserted Raymond Cantona, manager of the Pacific Stereo store in Oak Lawn, IL. "The popularity of video games sells the

computers—they are like step-up game machines."

A buyer from Montgomery Ward said "I'm interested in a \$399 to \$499 range. I think they are here to stay, whether used to balance checking accounts or play video games."

Radio Shack of Canada buyer Dennis Trembley commented, "The \$399 price point for the 'Color Computer' appeals to consumers because it does more than play games."

Said Morton Goldman, a principal of Eleck-Tek in Chicago, "We feel as though there is a tremendous home computer market in the process of developing. Even a \$500 computer can do a lot. The development of technology is such that if you can afford a color TV, you can afford a computer."

"They will probably be used mainly as an educational aid to children and for certain home finances, such as at tax time," he continued.

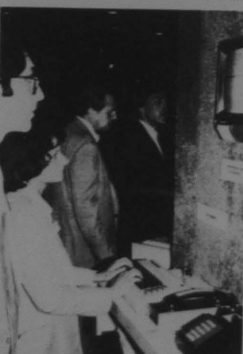
Getting his "feet wet" at the show was Albert Hagedorn, owner of DJ's Pro Audio in Berwyn, IL. "When asked, customers have been expressing an interest. That's especially true for school kids and independent businessmen," he explained.

### Practically stressed

Besides Price, manufacturers recognize that service and a public perception of practicality are important to sales of computers for the home.

During the Personal Electronics Conference, Michael Moore, president of Atari Consumer Electronics, asserted that the widespread acceptance of home computers depends on

(Continued on page 88)



**PRICE REDUCTIONS** of one-third or more are expected to expand the home computer market, agree many suppliers and retailers.

JULY, 1981

A SMALL NETWORK of dealers will sell the JVC videodisc, says Martin Homlish, director of marketing.

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pressed concern. One, Richard Childs, vice president and chief operating officer of Paramount Home Video, accused the company of "putting the industry at a financial risk. Mag Video is lowering prices while we are raising them. This tactic may be more serious than we thought," he said. "All they are doing is providing retailers with a

Childs reported that even though its cassettes are priced higher, Paramount's business is skyrocketing. "We shipped and billed more in the past three months than we did the entire past fiscal year." Despite that, rentals still dominate the business, and Childs pointed out they hold a 20:1 ratio over sales. "This is a rental business," he declared.

producing programs based on the Harlequin romance novels. The first release will be *Business Affair*, which begins production this summer. In addition, CVE will distribute all programming for the newly formed Samuel Goldwyn Home Entertainment. Titles to be included are *Guys and Dolls*, *Pride of the Yankees* and *Sayonara*.

MERCHANDISING

## CES REPORT

# Panel studies software inventory problems

By Pamela Golden, associate editor

CHICAGO—How can retailers deal with the inventory problems that have been created by the proliferation of VCR and videodisc formats?

Among the suggestions offered by panelists at the CES Video Seminar were:

- shifting responsibility from the retailer to the manufacturer,
- setting up one- or two-day delivery services and
- adopting more two-step distribution systems.

Moderated by David Lachenbruch, editorial director of *Television Digest*, the seminar also featured debates concerning who is purchasing videodisc systems and whether or not projection TV will ever develop into a mass market item.

Mort Fink, president, Warner Home Video, said that with the large number of prerecorded video formats available, inventory responsibility must be shifted from the retailer to the manufacturer. He suggested that a new method of distribution should be launched.

Most of the software business is done in 300 to 400 titles out of the 3,500 now available, he pointed out. A 24- to 48-hour delivery service could be developed so that retailers do not have to carry a complete selection.

His remarks led to a discussion of the pros and cons of two-step and one-step distribution systems. Walter Fisher, president, Zenith, said smaller and moderate sized dealers favor two-step operations where they can work with local distributors.

RCA's group vice president Jack

Sauter agreed, saying it is only through a distributor network that dealers can take advantage of floor planning, dating, full financing, and local merchandising and promotional support. He also pointed to RCA's QDS (quick delivery service) for videodisc software, which he said is helping retailers cut back on inventory.

However, Ray Gates, executive vice president for Panasonic, said he favors the one-step operation. He pointed out that Panasonic is enlarging its own sales and training programs and is also offering a finance program.

When the panelists turned their attention to a discussion of videodisc customers, the debate heated up.

Sauter and Fischer stuck by the CED party line that videodisc systems are aimed at less technically oriented consumers than the VCR. However, Ken Kai, president of Pioneer Video, Inc., pointed out that 60 percent of his firm's disc owners also have



DISTRIBUTOR NETWORKS provide retailers with financial and advertising support, points out RCA group vice president Jack Sauter.

have VCR's.

He pointed out that 99 percent of Pioneer's videodisc customers are male. Some 85 percent earn \$25,000 and up and 15 percent earn more than

\$40,000 per year.

Gates took the opportunity to assure attendees that the VHD videodisc system will be on the market in January, noting he "hadn't heard anything different from Japan."

## Projection TV debated

Panelists also debated the future of projection TV. Alex Stone, president, Quasar, predicted 75,000 units would be sold in 1981 and 100,000 in 1982.

Kai, citing those numbers, said "It may take longer than they are predicting to become a mass market item. I think you must have other equipment to accompany it. It will never replace the 19- or 25-in. sets."

Sauter, however, disagreed, saying he can see the projection TV business growing to a half million per year. And, he said, a half million projection TV's sold at the current price would be more profitable than black and white sets.

Gates said he believed the price will have to drop to \$2,000 before projection sets can become a mass market item. And that, he added, will be a while in coming.

# Mass production of stereo VCR's awaits FCC action

By Pamela Golden, associate editor

CHICAGO—Most VCR manufacturers appear to be adopting a wait and see attitude towards stereo sound while they await action by the Federal Communications Commission (FCC) on stereo broadcasting. And no one is sure just how long a wait that will be.

The FCC itself is waiting for the filing of a petition by the Electronics Industry Association (EIA) which is currently testing stereo TV standards. And once a petition is filed, it is usually a year before any action is taken by the FCC.

In the meantime, Akai remains the only VCR manufacturer with a stereo unit on the U.S. market. Hitachi and Marantz both showed stereo units at CES, but neither is ready to begin mass production yet.

Marantz said its VCR will be available next year, marking its entrance into video. However, even though Hitachi manufactures a stereo unit for Japan, it plans to wait until there is stereo broadcasting in this country.

## Waiting for software

The reason for the "let's wait for stereo" attitude is the contention on the part of most manufacturers that there simply is not enough stereo software available to warrant a machine. They also believe that most owners still use their VCR's mostly for off-air recording and time-shifting.

Although Sony sells a stereo VCR in Japan, Joe Lagore, president, said "there is not a market here because there is no software. I am not sure when we can expect the stereo VCR market to develop, but Sony can easily and quickly get into it."

Despite the convictions of his competitors, Akai's marketing director, Jerry Astor said his stereo unit has been in a backorder situation since June 1980. In fact, Akai's VPS 7350 VCR, with a list price of \$1,695 has been so successful, a videocamera with a stereo boom mike has been added to the line.

"Stereo is clearly the wave of the future," Astor exclaimed. He is con-

fident there will be a sufficient number of titles to support the unit and stated he thought "the studios will support us. In fact, a number of them will be with us in the fall."

So far, Magnetic Video and MGM/CBS Home Video are the only major distributors who plan to get involved with stereo programming. According to Jack Dryer, vice president and general manager Magnetic Video consumer products, "Everything that was in stereo originally will be in stereo on cassette." He explained that Magnetic Video has the ability to duplicate in stereo, but is waiting for standardization of noise reduction in the units.

Although he said he wishes stereo video would arrive soon, CBS Video Enterprise's president Cy Leslie ad-

mitted it's still a ways off. In any case, Leslie said, "we are ready for it with programming." Current releases such as REO Speedwagon in Concert, Electric Light Orchestra in Concert, the MGM films and all the ballets were originally done in stereo.

Even though the majors are not ready to take the plunge, two small independents are. Pacific Arts Corp., former Monkee Michael Nesmith's company, will soon release *Elephant Parts*, a tape produced in stereo specifically for the home video market. In addition, Tom Jones in Concert is being made available in stereo by Family Home Video. Both tapes have running times of one hour and use the Dolby noise reduction.

# Grundig plans a third VCR format

By Pamela Golden, associate editor

CHICAGO—As if there isn't enough confusion in the video industry already, a third VCR format has been introduced. Video 2000, a VCR with an eight-hour playing time was shown at CES by Grundig, a German company.

The unit, which will be available in the U.S. next year will carry a retail price between \$1,200 and \$1,300. "We are not aiming this VCR at the mass market," commented Roland Klink, who assumes the post of international operations executive on Oct. 1. However, he pointed out that since video is still a small industry, there is enough room to introduce a new system. He also said, "if a system is standardized too early it hurts the industry."

The VCR was jointly developed by Grundig and Phillips (which owns 24.5 percent of Grundig) and is the NTSC version of the European model. The front-loading VCR uses a two-sided cassette with each side having four hours of tape. It offers fast forward at five times normal speed and slow motion at one-third the normal speed.

Video 2000 has an optional remote which operates the VCR and the TV



VIDEO 2000 will be available in the U.S. next year for about \$1,200.

together. In addition, a portable version is under development and may be available next year.

Klink mentioned that U.S. prerecorded program suppliers have expressed interest in the new VCR, but added "we are not in software distribution, just machines." Until prerecorded programs are duplicated in this format there will only be the ability to record off-air. Blank tape is expected to be supplied by BASF, 3M and PD Magnetics, all of whom supply the tape for the system in Europe.

Even though Philips is the co-developer of the unit, Willem Den Tuinder, group commercial manager, said Philips will hold off its U.S. introduction until it gets sponsors representing 20 percent of the U.S. color television market.

## Atari's founder offers to help rescue Advent

CHICAGO—A group of investors led by Nolan Bushnell, founder of Atari, have made an offer of capital investment and a loan to Advent Corp. of Cambridge, MA. Advent filed for protection under Chapter 11 of the bankruptcy code in March. The plan to settle the reorganization has been submitted to the courts and to the company's creditors.

The group also includes Peter Sprague, who has resigned as chairman of Advent's board and Alan Trustman, the author of the Thomas Crown Affair. Bushnell has also resigned his position on Advent's board. He is the chairman of Pizza Time Theater, Inc. and left Atari when it was sold to Warner Communications.

Trustman has been named chairman and chief executive officer for Advent while Bernie Mitchell remains president and becomes the chief operating officer.

Mitchell said the creditors held a meeting June 8, at which they questioned why there were so few offers as well as why there wasn't a bigger one. However, he said, it was hard to determine when the creditors will make their decision.

In addition, Mitchell reported, he has had some trouble collecting payments from some retailers who want to wait and see what happens to Advent before paying for merchandise. Mitchell said, although he hates to do it, legal action may have to be taken against these retailers.

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MERCHANDISING



## sets, vision



perscreen TV

g from \$1,025 to \$1,075. oles have quartz-locked uning with scan, which ewer to scan sequential- 2 channels in either 22 list ranges from

sets have single knob ing with wood grain ets in Contemporary, an and Mediterranean ed list prices range \$740. The 19-in. model uler tuning with scan, and infrared remote at can receive up to 23 as well as 12 VHF and els.

portable line includes infrared remote. This microcomputer tuning k view and can receive k carries a list price of er two 13-in. sets have tuning control and list (cabinet) and \$380 for in set.

Ellicott St., M. Bata-

## scanner, lectra



100 scanner

50 has an automatic annot lock out incom- odel FF-550 features ase that is a compact ith laydown charging

has a suggested list odel FF-1550 car- suggested list: model 29.95 suggested list. available this month. vision of Masco Corp. East County Line and, IN 46229.

## Sony introduces tape decks and four component systems

NEW YORK—Thirty-five new products have been introduced by Sony High Fidelity: eight tape decks, eight turntables, six receivers, four component systems and nine accessories.

Among the cassette decks, the FX series has been tailored to attract first-time purchasers and consumers whose primary interest is in music. Suggested retail price on the decks range from \$190 to \$550.

The TC-K tape decks are designed for sophisticated audiophiles. The new TC-K777 features a linear counter, automatic bias and level adjustment as well as a concentrated display that combines level and other indicators.

The TC-PB5, a playback-only deck, is designed for music lovers who want a source unit only and audiophiles who want a deck for dubbing tapes. It is suggested to sell for \$220.

Three new receivers with quartz frequency synthesis tuning and legato linear amplifier circuits have been announced. Suggested retail prices are approximately \$700 for the STR-VX6, \$580 for the STR-VX5 and \$430 for the STR-VX4.

Sony's turntable line is headed by the PS-X800, which adds a microprocessor-controlled Biotracer tone-arm to the linear-tracking turntable. Suggested retail price is approximately \$850.

Two other units, the PS-X500 and

the PS-X600, also feature Biotracer arms. The PX-X600 carries a suggested list of \$400 while the PSX500 is suggested to sell for \$350.

Five other turntables have been introduced at moderate to medium price points. Suggested list prices for the group are: \$300 for the PS-X55S, \$220 for the PS-1X5, \$190 for the PS-LX4, \$200 for the PS-LX3 and \$150 for the PS-LX2.

Four new component systems have debuted. Three are built around receivers while the fourth features an



Sony TC-FX6C tape deck

ultra-slim amplifier and tuner. Top of the line is the FR-5000, whose features include a full-function wireless remote control. Suggested list prices for the systems range from \$650 to \$1,600.

Sony Corp. of America, 9 W. 57th St., New York, NY 10019

## Emerson unveils portable stereos

SECAUCUS, NJ—Emerson Radio Corp. has introduced the MM815 portable stereo system and the 5050PB stereo system.

The MM815 unit features speakers which can be detached from the main unit. The stereo cassette play/record deck features pause control, digital tape counter, twin condenser mics and mic input jacks, LED output level meter, automatic record level control and auto stop. The AM/FM stereo section includes an LED FM stereo indicator, a stereo/mono switch and on/off AFC switch. The unit operates on detachable AC line cord (included) or six D cell batteries (not included). Suggested retail price is \$279.95 for the system.

The 5050PB system features modular design and offers a built-in cassette deck with cue and review and pause control. The unit also offers twin mic input jacks and stereo headphone jacks. An automatic record changer with cue, anti-skate, tinted dust cover and matching base are included. The suggested retail price for the system is \$299.95.

Emerson Radio Corp., One Emerson Lane, M. Secaucus, NJ 07094.



Emerson MM815

## Technics intros include dbx-equipped tape decks

SECAUCUS, NJ—Technics has introduced six cassette decks, one microcassette deck, two amplifiers, and a tuner.

Cassette deck model RS-M270X is a dbx-equipped, direct drive unit with metal tape compatibility. The suggested retail price is \$500.

Model RS-M240X is also dbx-encoded. It features peak-hold FL meters, soft-touch controls and rewind auto-play. The suggested retail price is \$350.

Cassette deck model RS-M205 is equipped with soft-touch controls, MX head, and three-position tape selector switch. It carries a suggested retail of \$165.

Other models include RS-M218, which features an automatic tape selector and FL meters, RS-M225, which boasts a music select function, and RS-M280 which provides a three-motor transport system.

Microcassette deck model RS-MO 7 includes soft-touch controls, automatic tape selector and Dolby noise reduction. The suggested retail price is \$250.

Amplifier model SE-A7 features power output of 60 watts per channel, and carries a suggested retail price of \$500.

Model SU-A5 is a companion for the SE-A7 amp. It is a straight DC unit with quiet phone equalizer. The suggested retail is \$350.

Quartz synthesizer tuner model ST-S8 offers 16 preset stations, super narrow IF bandwidth and a digital signal strength readout. Its suggested retail price is \$500.

Technics, One Panasonic Way, M. Secaucus, NJ 07094.

## CHECK ONE:

☐ YES, I WANT TO MAKE A MILLION DOLLARS SELLING ODYSSEY.

☐ NO, I AM NOT INTERESTED IN MAKING A MILLION DOLLARS AT THIS TIME.

Dealer Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

Phone \_\_\_\_\_

Mail to: Odyssey<sup>2</sup> Headquarters, P.O. Box 6950, Knoxville, TN 37914

If you checked yes, you're our kind of person.

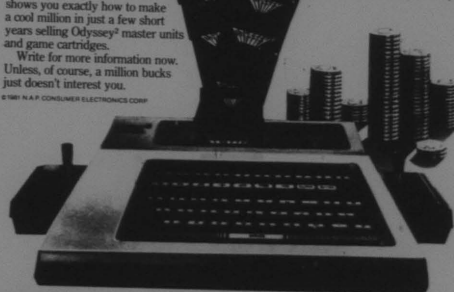
Mail in the coupon and we'll tell you why we call Odyssey<sup>2</sup> The Money Machine.

And about our formula that shows you exactly how to make a cool million in just a few short years selling Odyssey<sup>2</sup> master units and game cartridges.

Write for more information now. Unless, of course, a million bucks just doesn't interest you.

© 1981 A.P. CONSUMER ELECTRONICS CORP.

The excitement of a game.  
The mind of a computer.



## ODYSSEY<sup>2</sup> THE MONEY MACHINE.

## Hitachi introduces four cassette decks

COMPTON, CA—Four new cassette decks are being introduced by Hitachi.

Model D1100M is a dual-capstan, two-motor deck. Features include memory rewind, record and play timer, automatic tape response system, Dolby noise reduction, tape source monitor switch and 24 LED peak hold indicators. The suggested retail price is \$600.

Model DE95 has twin record and playback heads contained in a single housing, as well as a third head for erasures. The unit offers many of the same features found in model D1100M and has a suggested retail price of \$430.

The two-head DE55 unit is solenoid-operated and metal capable. Its

suggested retail is \$250. Model DE25 is a two-head cassette deck retailing for \$180.

An optional remote control with a suggested retail price of \$50 is available for models D1100M, DE95 and DE55.

Hitachi Sales Corp. of America, 401 West Artesia Blvd., M. Compton, CA 90220.



Hitachi model D-1100M



Fujitsu Ten Mini Wizard

JULY, 1981

MERCHANDISING



## CES REPORT

### Pleased with success of microwave 'Expo,' Champaign, IL, retailer expands into video

CHICAGO—Pleased with results of a three-day microwave "Expo" held at a local hotel, Jerry Martin is ready to try a four-day promotion in November. But this time he'll be featuring video products—projection TV, satellite, VCR and videodisc—as well as microwave ovens.

Martin, president of Manny & Martin TV, Inc., Champaign, IL, reviewed his upcoming plans during last month's Retail Merchandising Workshop held at the Consumer Electronics Show.

His "Video/Microwave Expo" will be held Nov. 16-19, Monday through Thursday, at a Ramada Inn, said Martin. "I couldn't get

weekend dates," he told *Merchandising*. "so I will run the sale from 9 a.m. to 9 p.m. If weekend dates open up, I will try to switch."

Martin's assignment at the workshop was to report on his microwave sale.

During the three-day event, he sold 220 microwave ovens—21 in four hours on Friday evening, 80 on Saturday 9 a.m. to 6 p.m. and 119 on Sunday (11 a.m. to 6 p.m.).

A local bank financed \$28,000 in retail installment contracts, Martin reported. Credit card purchases accounted for \$22,000 in volume. "Of the 220 ovens sold," he added, "we only had to deliver 15."



VIDEO PRODUCTS will be featured at a four-day promotion in the fall, reports Jerry Martin, president, Manny & Martin TV, Inc.

### ITA presents 28 gold videocassette awards

CHICAGO—A total of 28 Golden Videocassette Awards were presented by the International Tape/Disc Association to six companies at the summer CES.

In order to qualify, a program must reach a minimum of \$1 million in sales at the retail list price. Since the award began in 1980, 69 awards have been presented with 58 of them coming in 1981.

The newest certifications include: The China Syndrome and Midnight Express (Columbia Pictures Home Entertainment); Brubaker, Butch Cassidy and the Sundance Kid, Norma Rae, The Rose and The Silver Streak (Magnetic Video); Xanadu, 1941, Flash Gordon, Smokey and the Bandit II and Cheech & Chong's Next Move (MCA Videocassette).

Other titles are: Wizard of Oz, Ben Hur, Fame and My Fair Lady (MGM/CBS Home Video); American Gigolo, Up In Smoke, Friday the 13th, Ordinary People, The Elephant Man, Popeye and Heaven Can Wait (Paramount Home Video); Dirty Harry, Every Which Way But Loose, Clockwork Orange, Caddyshack and Bugs Bunny/Road Runner Movie (Warner Home Video).

### Correction

NEW YORK—In the May issue of *Merchandising*, Chuck Kuluva's name was misspelled due to an editing error. He is owner of Kuluva's, Kansas City, KS. *Merchandising* regrets the error.

## Home computers backed by more software

(Continued from page 55)

"the socio-economic situation. When people are no longer willing to make the trip to the store to shop, when they have the need, they will amend their lifestyle."

Service is also important, and Atari plans to have more than 500 independent service centers by the end of the year, according to Moone. Atari 400 dealers, such as department stores, can also offer over-the-counter exchanges.

Other computers, such as the just-shipped Commodore VIC 20, can also be exchanged at retail, and offer quick turnaround if a regional sales office is nearby.

### Games also an attraction

Some manufacturers said that games, which on a personal computer closely resemble "arcade" versions, also help to sell the hardware. Ease of use is yet another factor—it is one reason why Gillis of Mattel, for example, is confident of his system's future.

Consumer advertising by some companies is also being expanded. While Atari national sales manager Keith Schaefer was reluctant to discuss details, he said there will be such advertising for the 400 model this fall.

"We are positioned for major growth into fine department stores, and high-end electronics and appliance stores. We train these people in

computers," he continued. "There has to be a commitment to merchandising or we don't want to be there."

Texas Instruments will be advertising the 99/4A on television in the fall, according to Turner. In-store demonstrations already have begun, he continued.

While the original system offered 10 pieces of software one year ago, there now are more than 500, including approved third-party supplied products. "This software has been targeted heavily to home education and financial decision making," Turner said.

## 35-to-44-year-olds are purchasing more car stereos

(Continued from page 53)

segment of the population we haven't reached before." One factor could involve sales clerks.

"We may see a need for older sales personnel, he offered. "A 19-year-old with long hair could scare off some buyers. But a 20-year-old buyer could also have trouble connecting with a 40-year-old salesman. I think retailers are going to need a mix."

Pioneer's figures also show that the majority of car stereo buyers still do not have the unit installed where they buy it. According to the firm, 51 percent of all purchasers install the stereo themselves and another 24 percent have a friend or relative do it

for them. Only 25 percent had it installed by the retailer.

Nevertheless, it was stressed at the CES Audio Conference that dealers who do install should be trained to offer the customer the best possible installation.

"We would like to see these dealers know more about the various noise suppression and other devices available," said Red Gentry, vice president of radio marketing for A-R-A Motorola.

At the CASA meeting, it was also

emphasized that installers are going to have to be on the ball, particularly in the months ahead as they deal with installations in the new General Motors J Cars. Some of the problems were outlined by John Badiali, chief engineer, Audiovox.

In addition, CASA is in the process of launching a suit against Mazda to force the automaker to offer delete options. "Mazda is a stepping stone to GM," said Phillip Christopher, senior vice president, Audiovox.

### IDS adds VCR, projection TV service contracts

CHICAGO — Seven new extended protection contracts for projection TV's and videotape recorders have been introduced by Independent Dealer Services (IDS).

Offered by the firm's Guaranteed Tube Replacement division, the projection TV contract insures the three tubes for five years after the expiration of the original warranty.

According to IDS, "These newly introduced contracts offer the specialty video dealer a profitable opportunity to offer customers extended protection on the most expensive parts in VTR's and projection TV's."

The firm is now in its 13th year of supplying more than 3,500 dealers with a program of 35 extended protection service contracts.

### Four new Panasonic VCR's include 4-head unit

(Continued from page 57)

function wireless remote. This unit will have a \$1,075 price tag.

Panasonic, which did not show its VCR's at its dealer meetings due to an arrangement with RCA, has four new VHS machines for fall introduction. Model PV-1270 is a soft-touch unit with mechanical tuning that will list for about \$895. The PV-1370 is a two-head recorder with one-day/one-

event programmability, electronic tuning and a nine-position remote. The price will be \$1,050.

The last two-head unit, PV-1470 is cable accessible for 105 channels, has 14-day/8-event programmability and an optional wireless remote. The price will be around \$1,495. The fourth VCR from Panasonic is a four-head unit with special effects. Model PV-1770 will list for \$1,595.

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features and appearance items, legally known as "trade dress," for its speakers.

Jensen is also seeking the aid of the United States Department of Commerce and the Taiwan government.

MERCHANDISING

to appointment he was executive vice president of Advance Watch Co.

Herb Horowitz has been named president, Rotel of America, Gardena, CA. He was founder and former president of Empire Scientific Corp.

Frank DiLeo, president, Samsung

JULY, 1981

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87

## A presents 28 gold videocassette awards

CHICAGO—A total of 28 Golden Videocassette Awards were presented at the International Tape/Disc Association to six companies at the Amer CES.

In order to qualify, a program must sell a minimum of \$1 million in sales at the retail list price. Since the award was first given in 1980, 69 awards have been presented with 58 of them coming in 1981.

The newest certifications include: China Syndrome and Midnight Express (Columbia Pictures Home Entertainment); Brubaker, Butch Cassidy and the Sundance Kid, Ma Rae, The Rose and The Silver Mask (Magnetic Video); Xanadu, Flash Gordon, Smokey and the Bandit II and Cheech & Chong's Next Movie (MCA Videocassette).

Other titles are: Wizard of Oz, Ben Hur and My Fair Lady (MCA Home Video); American Hustle, Up In Smoke, Friday the 13th, Ordinary People, The Elephant Man, Popeye and Heaven Can Wait (MCA Home Video); Dirty Harry, Every Which Way But Loose, Working Orange, Caddyshack and The Bunny/Road Runner Movie (MCA Home Video).

## Correction

NEW YORK—In the May issue of Merchandising, Chuck Kulluwa's name was misspelled due to an editing error. He is owner of Kulluwa's, Kansas City, MO. Merchandising regrets the error.

## car stereos

Asized that installers are going to be on the ball, particularly months ahead as they deal with shortages in the new General Motors J Cars. Some of the problems outlined by John Badiali, chief engineer, Audiovox.

In addition, CASA is in the process of launching a suit against the automaker to force the automaker to offer options. "Mazda is a stepping stone to GM," said Phillip Christensen, senior vice president, Audio-

## service contracts

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## clude 4-head unit

programmability, electronic and a nine-position remote. The unit will be \$1,050. The two-head unit, PV-1470 is possible for 105 channels, has 8-event programmability and dual wireless remote. The price is around \$1,495. The fourth from Panasonic is a four-head with special effects. Model PV-1470 list for \$1,595.



ROUNDTABLE FORMAT was used at the CES Retail Management Workshop which was co-sponsored by the National Association of Retail Dealers of America (NARDA).

## Electronic phone appeal is seen growing

(Continued from page 55)

company," said Mollie Hyman, assistant manager of Telephone World in Richmond. Ben Hyman, her husband, is a trained technician; the store also has a part-time serviceman and offers over-the-counter exchanges.

Bokovoy of Telephones Minnesota also wants to repair phones, but claimed "getting technical brochures is like pulling teeth." Because of the long wait for merchandise sent to the factory for repair, he said, suppliers should either set up regional service centers or send retailers the parts they need. By way of example, he stressed, "We should not have to send phones back for plastic mouthpieces."

### Chips add functions

At the show, suppliers offered a wide variety of advanced electronic telephones and answerers. These will become increasingly attractive to consumers once monthly phone bills are itemized, they said. Also by March, 1982, the phone company must establish separate subsidiaries for the sale of phones.

Among the new products was Flip-

Phone II from GTE. New features include last-number redial, mute switch and hi-low-off ringer switch. The suggested retail price is \$64.95; it is available now.

The GTE dual cassette Series 3000 answerer retails for \$129. Also featuring a low price is the \$149.95 Code-A-Phone 1050. Both are now available.

Phone Mate introduced the microprocessor-controlled SAM 950 and 960 answering machines, retailing at \$339.95 and \$399.95. These units include a phone. The chips addphanumeric displays and electronically screen calls.

Panasonic also debuted a microprocessor-controlled answering system, now available. The double-cassette KT-T1530 retails for \$450. Speakerphones KX-T1015 and KX-T1020 are priced to sell at \$110 and \$65.

Weber ZIP answering machine 1010 uses voice activation for message recall and changing the message via phone. Available in September, it carries a suggested retail of \$400.

Weber ZIP 757, a 16-memory dialer telephone, uses the regular

## Rental 'not for everybody;' cannot be treated as hobby

(Continued from page 52)

take merchandise from you down to the local pawn shop to sell it."

The "people problem" was also stressed by another workshop speaker, Irving Weiss, secretary of Weiss Bros., Sharon, PA.

"Many customers we are dealing with have lost their credit," he stressed. "If you take your eye off collections for just a few days, you will be in trouble. Once a customer finds he can get away with being past due, he will try to see how much longer he can be past due."

Weiss presently has over 1,800 units out on rent. "Rental is not for everybody," he said. And if a dealer gets involved with rental, it "cannot be treated as a hobby."

### Run separate operation

Later on in the workshop, Ebblar listed these suggestions for making rental work:

• Separate your rental company from your retail outlet. "Each outlet

we open eventually requires \$250,000 in backing," he said.

• Hire somebody who knows the rental business.

• Maintain close control. "We have a team of auditors who concentrate on 'surprise audits' of each rental store," declared Ebblar.

• Have a good service department. "We service all of our rental merchandise free as long as the unit is kept," he told dealers.

• Hire a good attorney. Many cases will end up in court, assured Ebblar. "In the past 18 months," he said, "the total loss we could not recoup was two percent—that's not bad."

During the question-and-answer period, Ebblar noted that "a big part of our rental business comes from retired people. They are very loyal customers."

The matter of how to retrieve merchandise that's been "hocked" was also pursued. Weiss disclosed that rental merchandise at his stores is marked with a special ink which will show up under ultra-violet light.

However, this is not always a clincher. Some states have laws, said Ebblar, providing that if a pawnbroker doesn't know the item he's buying is stolen, "he doesn't have to surrender it. The dealer has to buy it back."

Ebblar added that he has done his share of "buying back" from pawn shops.

## VHD touts 64X search

(Continued from page 64)

The Hitachi model is scheduled to have visual fast-forward and reverse at 10 and 60 times normal speed and an optional remote.

All the VHD players should have the same features. They include: fast visual search at 64 times normal speed, slow search at 1/16th forward and 1/3 in reverse, forward fast at two and five times normal speed and reverse fast at three times.

Panasonic and Quasar players will have remote controls while the Sharp and NEC models do not have built-in random access or remote.

However, all the VHD firms are stressing that any of these specifications could change before introduction in January.

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## Apple adds 14 programs to catalog

CUPERTINO, CA—Fourteen programs from independent software developers have been added to Apple Computer's spring, 1981, special delivery software catalog.

All of the 26 carefully selected and tested programs in this catalog are on diskette and require no

special training on the user's part, Apple said.

Special Delivery software is intended to expand the usefulness of Apple personal computers. Featured programs in the latest catalog include APM (Critical Path Management for the Apple). This is called an easy-to-use method of organizing a project's details into an orderly, practical sequence of events.

Goodspell is termed a fast, reliable spelling verification system that safeguards against misspellings and typographical errors. Plan 80 is designed to speed financial decision making by performing complex calculations quickly and showing the user how they were executed.

## '82 CE shows set

CHICAGO—The EIA/CEG board of directors has voted unanimously to continue to hold two Consumer Electronics Shows a year.

The dates for the 1982 shows are winter (Las Vegas): January 7-10 and summer (Chicago) June 6-9.

MERCHANDISING

JULY, 1981

89

A GRALLA PUBLICATION

# Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

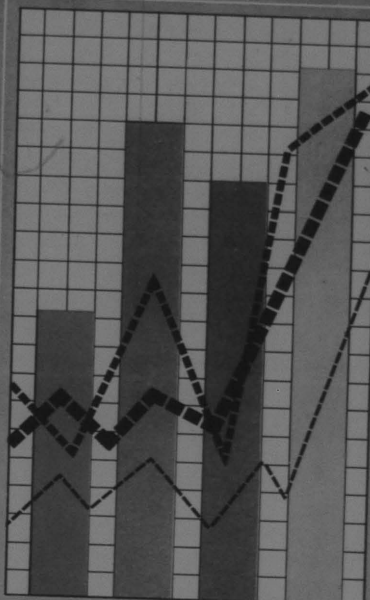
AUGUST 1981



#### **HARDWARE SHOW:**

**Quartz heaters,  
outdoor grills,  
new ceiling fans,  
stir up interest**

**6-day show features  
500,000 products  
and sales-building  
retailing seminars**



#### **STATISTICAL UPDATE:**

**Vendors report  
1981 shipments  
shatter forecast  
for electronics**

**Sales boom in TV,  
telephones, VCR's,  
electronic games  
and compact stereos**



#### **CHRISTMAS FOCUS:**

**More co-op \$\$,  
ads and promos  
are in the wings  
for 4th quarter**

**Suppliers reveal  
strategies designed  
to help retailers  
rack up Xmas sales**

**Scare yourself: Calculate security loss  
as 'lost sales days' or 'lost profit days'**

# Merchandising

FOR OVER 54,500  
RETAILERS & WHOLESALERS

AUGUST 1981

**Merchandising**

#### **Christmas planning focus**

Manufacturers beef up ad and promotion plans

#### **Store operations**

Finors reorganizing after 8-1/2



## TRENDINGS IN PERSONAL ELECTRONICS



William Liberson

### Electronic game areas work when merchandise changes

Placing all types of electronic games together in one section of your store, and changing the merchandise mix from season to season, can keep sales humming all year long.

Repeat business is generated because customers know exactly where to go for the games. They may also see other products of interest and can get help from informed salespeople.

The same customer could pick up five \$10 handheld games this Christmas, for example, return for a \$100

chess set for Father's Day and a \$65 learning aid in September. In the meantime, he may start thinking about an over-\$125 video game.

#### Rotate displays

While TV games are now year-round sellers, the other types of games and learning aids are mostly seasonal. But by changing mix and layout with the seasons, stores can increase a game section's potential, said the merchandising administrator of a leading department store chain.

His final decisions to expand his game departments from Christmas-only to year-round areas, and to install these departments in all stores, will likely include reflection on these points:

- Video games possess great traffic-stopping ability, as long as they are set up for demonstration. What is more, this year they are being advertised in all four quarters for the first time.

This means that the trend toward year-round sales of hardware and follow-up cartridges will continue to pick up steam. And with software margins generally holding at 30 to 35 percent, much more than those for hardware, a strong merchandising area can help maintain net profits through repeat sales.

- Higher-priced self-contained games, such as chess sets, can be a real strength of many electronic game mixes. And some industry sources point out that these units belong with other advanced consumer electronics, not with books or sporting goods.

Somewhat lower prices could make this a stronger category, one retailer added. In the meantime, sales are strongest in May and June, because of Father's Day and graduations.

- Learning aids represent a great opportunity at back-to-school time, pointed out another buyer. And recent price reductions in "home computers" have made them more attractive as "ultimate learning aids." On the other hand, some retailers have been stepping customers up to these units based on the more sophisticated video game play.

- Lower-priced handheld game sales remain a very Christmas-time oriented purchase. But these units should not just be kept in a box on a shelf in the toy department. Like the other games, they are better placed "where they can be seen and demonstrated and where salespeople have product knowledge," recommended another department store buyer.

What all this adds up to is added video game volume, a boost in adult and other more expensive units and an improvement in handheld game sales.

#### High-traffic area best

There is one qualification, however. This type of area will likely succeed best in a high-traffic store.

"The opportunity to set up electronic game outposts starts in the high-traffic areas of stores," added one retailer. The reasons include the cost per square foot and the necessary added staffing.

Realistically, dealers also know that over the past several years it has been proven difficult to break the traditional seasonality of the toy and game market. "It's very doubtful how much you can force into a customer's hands," said one. "Unless it has value as a gift, it's discretionary income—and these are troubled times economically."

But a good way to break this cycle could be to set up either a complete electronic game center or to at least place all the games next to the TV/video game setup. Size of the area and staffing vary with each store, of course.

Above all, though, "Don't put games in the back room from Jan. 1 until October," recommended a director of merchandising. "The business is all year. Leave it out—suggestion sell it. Run the customer by the fun part of the store."

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## NEWS/FEATURES

# Expensive games boom, handhelds go bust, according to many electronic game retailers

By William Silverman, sr. assoc. ed.  
NEW YORK—The sales potential of higher-priced chess and backgammon games, as well as learning aids and other units, has got some retailers optimistic. And the video game boom shows no signs of slowing down, according to retailers interviewed by Merchandising.

The prospects are not as bright for handheld units, however. Many retailers are cutting back on the sports models, and others have totally eliminated them from their Christmas plans.

"Our stores are staying away from low-end handhelds like Baseball and Football Two entirely this year," said Team Electronics director of consumer merchandising Mike Flynn. "We did not have the sell through we had hoped for last year."

Said Schaak Electronics vice president of merchandising Oleh Artum, "We will not be in the handheld market this year. We have seen a softening of the market, and don't have the strength of a department store in terms of draw-in-house."

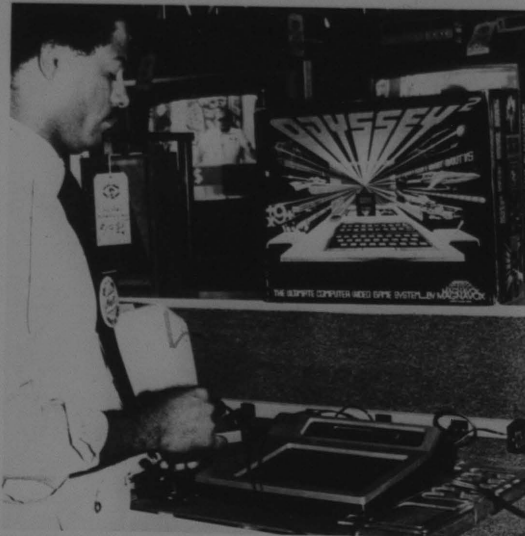
"Over inventories of retailers caused some crashes after Christmas last year, and we took our lumps," he continued. "Margins are gone completely in under-\$30 suggested list games."

Because of its margin problems with lower-priced games, Schaak has also adopted a "wait-and-see" attitude about new higher-priced units such as Mattel's World Championship Baseball and Football.

Lewis Polk, president of Polk's Hobby, New York, added, "Individual games with limited play value are gone. We're stocking fewer units, but spending more dollars," he said. "We're not into sports as much. With tabletop games and cartridges, people are not bored as easily."

At Giant Way Department Stores, the decision for this year is to stock no current electronic games, said buyer Ivan Hutton. "This includes Simon, Merlin and some of the basics we never had a problem selling." For the five-store chain, headquartered in Mt. Pleasant, MI, "It's just a question of making money in the process."

"Our whole program is built around closeouts in that area," Hutton con-



**BREAKING ALL RECORDS.** sales of videogames are expected to boom this Christmas, retailers predict.

tinued. The chain thus can retail for about \$10 games that it has purchased from liquidators and distributors for as little as \$6.

### Look to higher-priced games

On the other hand, Macy's of San Francisco plans to sell all categories of games this Christmas. But while low-end sports games are a popular Christmas gift, "a lot of people were hurt in handhelds last year," said merchandising administrator Peter Weil. "We want to bring the average retail back up. The strength of department stores is in higher-priced games like chess, bridge and World Championship Baseball."

Likewise, Macy's New York divisional merchandise manager Norbert Jacobson foresees steady growth in computer chess, backgammon and bridge games.

"This won't explode like other categories until prices come down," Jacobson predicted. "When over-\$100 chess games come down, it will help to open up a whole new classification."

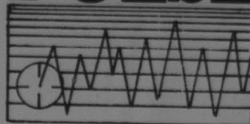
When it comes to learning aids, Jacobson commented that they have generated less interest at retail, but "We view them as having good growth potential."

Agreed Schaak's Artum, "Learning aids is a nice direction to go in. Price is not as strong a consideration to consumers." The \$50 to over-\$100 educational games, several of which were first offered at last February's Toy Fair, offer good growth potential and a 33 percent markup, commented Lewis Polk.

"You will see tremendous growth in 'ultimate learning aids' at back to

## Electronic Games

# PULSE



school time," predicted Weil of Macy's San Francisco. He was referring to personal computers, where "education is the key, not games."

The recent Atari 400 price break—from \$599 retail to \$399—"has helped a lot," said Team's Flynn. "We sell an education package with it that includes some learning aids, some games and some other uses of the computer for under \$100."

Polk said he sold out his stock almost immediately after the price break, and has placed a new \$25,000 order. The owner of the 15-employee toy and hobby store maintained that "The new lower price for the 400 means it will really take over. There's no longer any reason to buy a video game."

On the other hand, Robert Rich, owner of Futureworld, St. Louis, said that "The Atari computer has too many add-ons. That causes confusion on the part of the potential user."

### Video game shortages expected

Whatever the prospects for personal computers, retailers expect video game sales to break all records this Christmas season—if suppliers can manage to keep the pipeline filled.

"Hardware is seasonal, with 80 percent of sales from October to March," Rich said. "The problem is that manufacturers don't have their acts together. From Dec. 15 through March there is no hardware available."

Like other retailers, he also expects this year's scenario to again include some software shortages. During December and the first quarter of 1981, Rich said, he lost \$20,000 to \$30,000 in sales because of a lack of product.

"The Atari VCS is on allocation right now, and availability figures to be tight for Mattel and Magnavox," said Flynn. "We have to be competitive," he added, "but Team is not a price house. We also sell image, longevity in the community and service."

Profitability continues to be a problem for most retailers, however. "Typically, someone down the block blows the margin away to a 10 to 15 percent gross profit," said Artum. "Software margins are better—we're now at 35 percent—but this is not outstanding for a specialty store environment."

With a \$20 profit on hardware, and a 35 percent markup on software, Lewis Polk hopes "people will buy a few cartridges with the game—because electricity for a five-floor store is \$3,000 a month." Manufacturers' year-round advertising means "a large number of cartridges can be connected to the product," Weil of Macy's San Francisco said.

"We maintain 40 percent margins by extending parts and labor warranties to one year," said Rich of Futureworld. "Mass merchandisers make \$20," commented the microcomputer, videorecorder and video game dealer.

## Showtime 2-step discount program aids video dealers

TILLAMOOK, OR—Showtime Video Ventures is offering dealers and distributors a two-step program that includes educational and financial benefits.

According to Carolyn Burnworth, president of the video processing equipment and accessories firm, dealers and distributors can receive

cash discounts for purchasing products in the firm's line.

Dealer discounts range from three to 12 percent while distributor discounts range from three to 13 percent, depending on what criteria are met. Some of these include the amount of orders placed, whether payment is in cash and whether the

payment was on time.

In order for distributors to qualify for the discounts, they must have outside sales people and warehouse facilities.

They may not own a store other than a test store or be associated with a franchise. As an extra incentive, shipping will be prepaid on large orders.

Both dealers and distributors of the line will be able to take advantage of a training program consisting of manuals that explain the operations and functions of the equipment and p-o-p materials that detail how to sell the products and how they work.

The line includes a video enhancer, audio amp, color processor, video and audio distribution amps, audio and video switchers, mini enhancer and one-inch monitor.

## Terminate employees who damage your business

(Continued from page 48)

time of dismissal, that the move was expected, and actually was a relief to the employee involved.

One of the most critical factors in the poor business results being shown by many independent businesses, is not the ability or dedication of the owner, but his lack of courage in

dismissing employees who are actually hurting the business.

Ask yourself this question: "Is there an employee of my organization who would make me happy if he (she) resigned tomorrow? If your answer to this question is "yes," then you have a problem you should begin thinking about.

# Electronic Games JLSE



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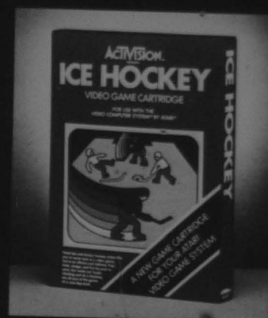
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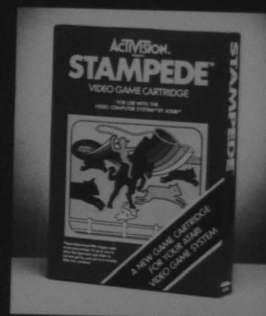
40 percent margins  
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ase merchandisers  
mented the micro-  
recorder and video

MERCHANDISING

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galloping across the page? And hockey players  
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are all worth points. But, keep your eyes peeled!  
When an old skull pops up on the trail, your  
horse better be prepared to do some fancy  
footwork.

And you should be prepared to place your  
orders for Ice Hockey and Stampede right  
away. Other retailers around the country  
already have. With games like these, can you  
blame them?

## ACTIVISION™

© Activision, 1981. Atari® and Video Computer System™ are trademarks of Atari, Inc.  
Tele-Game™ and Video Arcade™ are trademarks of Sears, Roebuck & Co.

# Watches LSE

tomers, commented Mary Stuart, rather than with







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Greenwich, Connecticut 06830  
(203) 869-0696  
(800) 243-8509

with animated games on them to be popular this fall. Those with chronographs-alarms will also continue to be big sellers."

Speed reported no radical increase in sku's. "For the past 12 months we've had quite a variety of sku's and now we're trying to control them," he said.

"Our fall catalog and flyers will promote digital watches generously," he added. "All the new technological advances will broaden our customer base."

MERCHANDISING

## NEWS/FEATURES

# Video sets pace, audio comeback noted, as most electronic sales surpass projections

By Pamela Golden, associate editor

NEW YORK—Almost every sales projection for 1981 will be surpassed before the year is over if the sizzling pace set in the first half continues through the rest of 1982.

Video products (especially color televisions, VCR's and prerecorded videotapes) are exhibiting the largest growth margins. But other areas, including audio, telephones and phone answers, are doing almost as well.

In fact, in many categories, manu-

facturers are now reporting sales so strong that they are adjusting projections upward for the full year.

### TV sales soar

Color television has been one of the most active product areas this year. In May *Merchandising* forecast that 10.2 million sets would be shipped to retailers in 1981. But, according to many manufacturers, this figure must now be revised upward to at least 10.5 million. And sales could go as high as

11 million units by the end of 1981.

Because more people are looking homeward for entertainment, Jack Sauter, group vice president for RCA, said, "Consumers are being forced to upgrade their interactive accessories for VCR's and videodiscs." This includes color televisions.

He mentioned that the growth of cable and pay TV have helped increase sales. And the consumers' desire for name brand merchandise as well as the high perceived value of TV's, compared to other products,

have also been factors in the growth.

Sales of black and white sets are exceeding expectations, too, mostly thanks to new features and the wide use of the sets as promotional products.

Sales forecasts for VCR's have also been revised since spring. *Merchandising* predicted that about 1.25 million recorders would be sold to retailers in 1981. However, sales have been so strong that RCA is now projecting sales of 1.4 to 1.5 million and JVC is calling for 1.3 million at the minimum.

Portables, strong sellers this year, are playing a big role in boosting sales. Manufacturers agree that the potential inability to meet customer demand will be the only deterrent to reaching projected sales figures.

Prerecorded videotape is doing exceptionally well this year, with manufacturer sales expected to double between 4.5 and 4.6 million tapes. Jack Dryer, vice president and general manager, consumer products, Magnetic Video said the tremendous increase is a result of consumers using their VCR's to watch movies, rather than tape off the air.

Since the figures *Merchandising* reports in May are factory sales to stores, it remains to be seen what percentage of these products will be sold by the retailers. Bob Klingensmith, vice president, video distribution, Paramount Home Video, pointed out, "I believe this is increasingly becoming a rental business. And this will affect sales dramatically."

In addition, he said, stores are beginning to limit the number of titles stocked, and major movie companies will be releasing fewer big titles in the future. Despite all this, Klingensmith said, he expects the same high level of activity during the second half of the year.

### New lines boost audio

On the whole, the audio industry is doing well, too, with several firms expecting a strong second half both because of Christmas as well as the availability of new product lines.

Michael Wiggins, Akai national sales manager, said, "We're optimistic because the dealers are. Apparently, they are not feeling the recessionary crunch as heavily as last year. They're ordering more product."

He also remarked that "many customers seem to have more money, are paying cash and buying home entertainment products instead of other things." Akai's hottest items this year are portable tape recorders.

Even though sales figures were not available, Dick Hutline, audio sales manager for Fisher, reported his company is doing better than the industry average. He credits this partly to the relatively clean inventory situation Fisher is experiencing, as well as the stimulation of the marketplace by new products.

Panasonic experienced a 38 percent increase in audio and video sales in the first six months, and Ray Gates, executive vice president, is optimistic about the second half. This is especially true in hi-fi, where he said he believes the industry at large is doing even better than Panasonic. He also remarked that although radio sales are flat, both combocassettes and the Soundarounds are doing extremely well.

Aiwa reported that its sales are 160 percent over its 1981 quota with decks, portables and minis selling equally well. Bob Fisher, national



## IF HE CAN AFFORD A CASSETTE DECK, NOW HE CAN AFFORD A TEAC.

Here are three new ways to get entry-level buyers through your doors. Our brand-new V-Series cassette decks.

They're affordable, but they're still TEAC. So you can sell them with confidence. And ease.

Just look at the features you'll have to sell: The V-30, V-40 and V-50 all have peak-reading LED bar meters, Dolby® NR, 3-step Bias/EQ selectors (including metal tape), plus

rec/play timer stand-by capability.

The V-40 adds micro-switch transport controls and a Rec Mute function.

On top of that, the V-50 has a built-in condenser mic and an independent output level control.

There's more, of course. Just ask your TEAC rep for the whole story on our V-Series. Then you'll no longer have to sell up to sell a TEAC.

**TEAC**

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MERCHANDISING

...will also continue to be  
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#### MERCHANDISING

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#### MERCHANDISING

AUGUST, 1981

sales manager, said, "I expect the rest of the year to be tremendous."

According to Jack Doyle, president of Pioneer of America, the overall car stereo business is not ahead of last year. "The business is running somewhere between flat and seven percent up," he commented. However, he reported, Pioneer itself is having a very good year with substantial increases.

"Sales in general are not good because car sales are not strong," he explained. But, the South and West are better than the East and the Midwest. Doyle said he expects the second half to be good because "December is a very high sales month."

Blank tape, the support product of both the audio and video industries, is experiencing booming sales. Both John Dale, vice president and general manager for Fuji, and Ed Pessara, national sales manager for TDK, reported that blank videotape sales for 1981 should reach 27 million units.

"We are about 85 percent ahead of 1980," Dale stated. Tape sales are in line with VCR sales and Pessara predicted that the fourth quarter will be very strong because more VCR's are sold around Christmas.

According to Dale, the audio tape business may be growing at a faster pace than the audio industry. He reported that dollar sales are 100 percent ahead of 1980, while unit sales are up 93 percent.

Ken Kohda, vice president and general manager of TDK, said while the industry is experiencing a seven to nine percent increase this year, TDK is up about 30 percent. He credits this to the demand for quality product and the fact that consumers are becoming more aware of the performance differences among the brands.

The phone answerer industry is expected to show a 20 percent increase in sales over 1980. According to Robert Petkun, vice president, marketing and sales, for Phone-Mate, approximately 720,000 units and between \$140 and \$150 million in sales will be achieved.

He credits the good year to the fact that dealers and retailers have become interested in this category and the manufacturers have been aggressively promoting and advertising the product. He also said lower prices are having a good effect on business.

Martin Schatz, vice president at Record-a-Call, said although this is not a rapidly growing business, it is very steady. He said sales increases have not fallen below 10 percent annually in the past seven years.

For the same reasons, phone sales are also doing well. With industry sales of about four million expected this year, Lou Gervolino, ITT vice president of marketing, said his company is experiencing a 30 percent growth rate. John Witt, general manager of ITT, said, "We are having an exceptional year. It started off superbly, and sales are up significantly. We are probably doing a little better than the industry."

On an industry-wide basis, calculator sales are up between four and five percent, according to John McDonald, president of Casio. However, he reported that his company's sales are about 15 percent ahead. He explained that there is more pressure on price this year, driving department stores and mass merchandisers to sell lower-priced models.

...ount, and so on. Salespeople must  
e able to address customers' needs."  
"We tell them that if they don't  
know something, they should be  
honest with the customer," he added.  
"If a person asks about the 'cross  
foot' function, the worst thing a  
salesperson could do is try to bluff."

Stuart also separates the business units from the smaller items by having the former placed on wall brackets. "Business customers like to be able to go into a separate area,

...You'll see how payment was made, cash or credit card,  
and whether it was a business or personal expense. The  
PEAR has a large, 10-digit LCD readout with 24 custom  
symbols and stores up to 80 expense and reimbursement  
entries.  
PR-100 users can track every dime spent for travel,  
lodging, auto, mileage, meals, phones, entertainment and  
miscellaneous. With the optional PR-101, all those entries  
are run off onto a printout. And with optional PR-102, the  
PEAR interfaces with a home computer for tax records.

For more information, contact Mr. Marty Forman, Director of Sales, at 23500  
Mercantile Road, Cleveland, Ohio 44122. Telephone: (216) 464-8918

**TRYOM INC.** INNOVATORS  
IN MICRO-PROCESSOR  
GAME TECHNOLOGY

### VIDEO PRODUCTS: TOTAL FACTORY SALES

	Original 1981	Revised 1981
Color TV	10,000,000	10,500,000
B&W TV	6,000,000	6,300,000
VCR	1,200,000	1,500,000
TV Cameras	180,000	250,000
Projection TV	75,000	150,000

Figures compiled by the Electronic Industries Association (EIA).

## WHEN YOU RECOMMEND A MICROCASSETTE RECORDER YOU SHOULD RECOMMEND THE BEST MICROCASSETTE TAPE... PEARLCORDER. THE ORIGINATORS.

Now available in 30, 60, and 90 minute durations to meet virtually any of your customer needs. The new 30 and 90 minute Microcassettes are made with the same dedication to quality and fidelity as our MC-60 and MC-60-AD. Quality and performance that will keep your customers... your customers. And, your profits at a maximum.

The highly precise mechanism and the finest tape available, combine to make Pearlorder Microcassettes the one you can recommend with confidence. Confidence that a Pearlorder Microcassette will give your customers hours and hours of trouble-free, dependable service.

Pearlorder Microcassettes are completely compatible with all brands of MICROCASSETTE recorders. The full line of tapes include the MC-30 (15 min. per side) MC-60 (30 min. per side) MC-60-AD (extended fidelity) MC-90-AR (45 min. per side) and... a head cleaner tape HC-T, an exclusive with Pearlorder, to help maintain sound quality of any microcassette recorder.

Pearlorder Microcassettes. Now that you know about the quality, you should be recommending them to all your microcassette customers.

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Sight and Sound That Touches Life  
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OLYMPUS CORPORATION OF AMERICA

**Pearlorder** MICROCASSETTE

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Please send me information on the most profitable microcassette tape line in the industry.

NAME \_\_\_\_\_

STORE NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

STATE \_\_\_\_\_

ZIP CODE \_\_\_\_\_

AUGUST, 1981



suggested retail prices ranging from \$19.95 for the RP-1210F Mark II—a small two-band pocket radio—to \$349.95 for the RT-S893.

Toshiba, Consumer Electronics Div. 82 Totowa Road, M. Wayne, NJ 07470.



Alaron Rhapsody

Model A1191 features a clock and radio which snap apart for independent use, AM or FM reception, an earphone, snooze switch and automatic daily alarm reset. The unit retails for \$49.95.

Craig Corp., 921 W. Artesia Blvd., M. Compton, CA 90220.



Phase Research model R

MERCHANDISING

## PRODUCT PICTURE/ELECTRONICS

### SciSys introduces computerized chess, bridge tutor games

NEW YORK—SciSys Computer, Inc. has introduced seven computerized chess games and a bridge tutor.

Chess Champion Mark V is an AC-powered chess computer with an integral LCD chess board. It features a 24K memory and a variable time control. The Mark V can solve mate in seven move problems and play 12 games simultaneously against humans, other computers or itself.

On request, the Mark V provides analysis, comment or advice on the game in progress. It can also provide a complete game history and predict the progress of the game.

Accessories include an Intelligent Sensorboard that reads the piece color and type without touch sensing, and a printer that prints out game progress, analysis or a pictorial layout of the chessboard. Suggested list price is \$398; accessories are extra.

Chess Traveler has eight levels of difficulty and solves mate in four problems. It comes with a dust cover and fits inside an attaché case. The chess traveler is either battery or AC powered. Suggested list price is \$75.

Intelligent Chess uses any TV set as a display monitor. Its computer has 13 levels of difficulty. A built-in cassette recorder can tape the game and spoken comments. Teaching tapes are available. Suggested list price is \$499.

Executive Chess is a hand-held unit with a large LCD chessboard. The chessboard can be switched to put white at the top. It can be battery or AC powered. Suggested list price is \$129.50.

Graduate Chess, recommended for beginning players, has features such as recognizing and performing castling, "en passant," and pawn promotion. Suggested list price is \$49.50.



Chess Champion series

Sensor Chess has eight levels of difficulty and can solve mate in four move problems. Add-on modules are available to enhance its 4K program and change the playing style. Suggested list is \$159.

Chess Champion Super System IV is an AC-powered chess computer with a 12K memory. It operates on a time basis, depending on the level of play selected. An LCD readout shows game progress in the standard coordinate system of chess notation.

Its special chess problem-solving mode recognizes all chess rules, including the Draws-By-Threefold Repetition and the 50-move rule. It solves mate in five problems. Suggested price is \$219.

The Jacoby Bridge Tutor has a full four-player display, and the bidding and play of every hand and game is rated by the tutor. Each hand is accompanied by a full explanation in the instruction manual. Extra modules are available for different types of hands. Suggested list price is \$119.50.

SciSys Computer Inc., One World Trade Center, M. New York, NY 10048.

### ITT Easy Answer 2 features remote message playback

CLARK, NJ—The ITT Easy Answer 2 features a dual-tone beeper with the ability to remotely access messages from any phone. The beeper's backspacing capability allows the tape to rewind from any point in the message series.

The dual cassette system is voice activated and can accept messages up to two minutes long. It automatically hangs up after seven seconds of silence.

Other features include a built-in phone jack, announcement only switch, fast erase button, red message light, ringer adjust and tape counter. The unit has a one-year limited warranty.

Available in a black, chrome and wood-grained case, the Easy Answer



ITT Easy Answer 2

2 has a suggested retail price of \$269.95.

ITT Personal Communications, 133 Terminal Ave., M. Clark, NJ 07066.

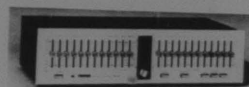
### Tamon introduces graphic equalizer

CARSON, CA—Tamon has introduced the EB-102 graphic equalizer.

The model features a two-channel, 12-element equalizer. Included are LED level indicators, a pilot lamp and a defeat switch.

The graphic equalizer weighs 11 lbs. and comes packaged two units per master carton. The item also offers slide rule dials, equalizer, tape monitor and power buttons.

Tamon Auto Sound, Inc., 1645 East Del Amo Blvd., M. Carson, CA 90746



Tamon EB-102

### O'Sullivan audio/video cabinets offer solar glass doors

LAMAR, MO—O'Sullivan Industries has introduced audio and video TV cabinets which feature twin tempered solar bronze glass doors.

The audio cabinet is finished in hickory wood vinyl laminates and offers an L-shape tempered glass lift-

lid. In addition, adjustable shelves are finished in black grain vinyl. The cabinet sports dual-wheel casters, a cassette drawer and twin record dividers. The item measures 49 5/8 in. high, 17 1/4 in. deep and 23 in. wide. The shelves are 14 3/8 in. deep and

21 1/2 in. wide. Suggested retail price is \$239.95.

The video/TV cabinet features a VCR area which can hold both Beta and VHS tape decks or a video disc, a pull-down glass front, TV shelf with side rails and VCR tape storage. It also contains dual-wheel casters. Measurements are 49 in. high, 18 1/4 in. deep and 28 7/8 in. wide. The TV shelf measures 18 1/2 in. high, 18 in. deep and 26 7/8 in. wide. Suggested retail price is \$179.95.

O'Sullivan Industries, Inc., 19th | Gulf Streets, M. Lamar, MO 64759.

### Mesa Electronics turntables feature micrometer stylus pressure gauges

CHICAGO, IL—Mesa Electronics has introduced a line of record changers/turntables.

The three unit line features 11-in. steel platters, rubber non-slip mats and loss mass aluminum tone arms with adjustable counterweight and finger lifts. The line includes the fully-automatic, multiple-play 2600

SV, the 65 SV and semi-automatic, single-play 70 model.

All three models offer a micrometer stylus pressure adjustment gauge, adjustable anti-skate mechanism and a universal tone arm head that fits either ceramic or magnetic pickup. The units also provide a tracking weight of less than one gram and have cueing with pause control.

In addition, models 65 SV and 70 offer a magnetic cartridge, walnut veneer wood base with built-in storage compartment.

Removable spindles for 45 and 33-1/3 RPM recordings are available on each model as well. A two-year warranty is also available. The suggested retail price is 2600 SV \$69.95, 65 SV \$84.95 and the 70 model is \$84.95.

Mesa Electronics Sales, Ltd., 2940 Malmo Drive, M. Arlington Heights, IL 60005.



Mesa turntable



O'Sullivan audio cabinet

### MJ Weber offers record finder kit

CAMBRIDGE, MA—The MJ Weber Corp. has introduced a record finder which provides instant access to any record filed.

The unit contains a color-based labeling system. This includes four 9-3/4 in. x 14-1/8 in. label sheets available in red, green, yellow and blue. In addition, four 8-1/2 x 11 in. index cards are provided. Each label sheet sports 30 plastic-coated pressure-sensitive labels, totaling enough for up to 120 records. The record finder comes with illustrated directions and retails for \$8.95.

MJ Weber Corp., Box 262, M. Cambridge, MA 02138.



MJ Weber record finder

MERCHANDISING



Rebates designed to move consumers up to higher-end smoke detectors are offered by Statistrol div., Emerson Electronic Co. Rebates of \$5 on each SmokeGard Model 809A, which features a dual-alarm system, can be obtained through the end of August.

#### MERCHANDISING

September 21-25, New York Coliseum, New York City. Write: David Thalheim, Thalheim Expositions, Inc., 98 Cutter Mill Road, Great Neck, NY 11021; 212/357-3555.

National Assn. of Service Merchandising General Merchandise Convention and Trade

AUGUST, 1981

Palatine Road, Palatine, IL 60067 312/991-4040.  
Electronic Industries Assn. Annual Fall Conference: October 19-22, Fairmont Hotel, San Francisco, California. Write: Jack Weyman, 2001 Eye Street, N.W., Washington, DC 20006; 202/457-4919.

**Magic Chef**  
Cleveland, TN 37311  
Gives you more time for good times.

79

five three-hour classes on the... each week. That's how we... build business in our access-

the midwestern department store... sional manager reported that... had "gone through the roof in... aware and resulted in double-digit... as." This was partly due, he said, to the move of the ovens themselves within close proximity of the... aware for more add-on sales. For some merchants, price has... an important factor when... chasing cookware lines. Marianna... of Home on the Range in... sonville, FL, reported that busi-... was strong but that "I am... for some lower-price points, ... I found in Regal Ware's line."... cobone, on the other hand, has... that price isn't a major factor in... accessories business. "Once the... umer understands what the piece... do, price isn't an obstacle."

### Priority of sales

mos recalled, "You wouldn't... the number of phone calls we... ter that ad from people wanting... w if we did rent. When we said... post said they'd probably stop... d anyway. They wanted us to... in more about the comparative... between the two methods. So... I really did work for us."

ustomers today aren't dumb... don't want to be pressured or...," said Demos. "We just give... straight facts, answer their... ons, give them literature, show... hing about the item that we can... en step back and let them make... wn decisions."

Demos said, he's not... sted in owning the biggest store... en. "We'd rather be about... r three in our area. Then we... lots of things numbers one and... n't do. But we aren't so big we... ay personal and make people... table with us."

**YOU BE THE JUDGE**  
YOU AFFORD TO RENT TO OWN?  
YOU AFFORD TO BUY?  
YOU AFFORD TO RENT TO OWN?  
YOU AFFORD TO BUY?  
YOU AFFORD TO RENT TO OWN?  
YOU AFFORD TO BUY?

NING AD for Demos cited the... difference between buying... ing appliances and TV's.

Housewares Show... age begins on... page 30

#### MERCHANDISING

## RCA launches \$50 rebate on videodisc unit in Atlanta

ATLANTA—In an attempt to compensate for the slow movement of videodiscs this summer, RCA initiated a two-week test promotion in Atlanta, GA, from July 26 through Aug. 9.

In addition, one retailer told *Merchandising* he was beginning a disc rental program with the help of RCA.

The promotion, backed by co-op ad funds, includes a \$50 "bonus" or rebate on the player at the time of purchase and a free, 10-day, in-home trial of the videodisc player.

According to Frank McCann, an RCA Consumer Electronics vice president, Atlanta was chosen because of its strong disc history (the Magnavox unit was test marketed there) and its cosmopolitan qualities. He pointed out that RCA has been stressing local advertising and promotions since spring because national TV advertising during the summer is usually ineffective.

Ellis Baxter, president of the American Tape and Video store, Atlanta, said he will be the first dealer

to break with the RCA ads for the promotion. "This will make or break RCA for me," he remarked.

Up until now, he said, he has stayed away from the RCA unit because, "I have heard too many complaints. However, the RCA people here in Atlanta came in and demonstrated the units and they did work. They also promised me complete support," Baxter reported.

Baxter has started to rent discs for 99 cents a day to customers who purchase the player at his store.

## Cookware colors add excitement, but quality's demanded

(Continued from page 32)

changed the package to give the product an upscale, quality look."

Meanwhile, Regal took a turn away from neutral colors and introduced a line of frypans in bright red, blue, green and yellow. "We think these are going to be very hot," commented Adeline Halfmann, manager, marketing communications. "Reaction at the show has been very strong."

The frypans are available in 8½-, 10- and 12-in. sizes. All are coated with SilverStone.

Otherwise, most manufacturers were extending existing lines and offering new packaging configurations.

At Wear-Ever, Robert Vogt, man-



STOP, LOOK, BUY, is what RCA is saying to shoppers in the Atlanta area by offering a \$50 rebate on videodisc players.

ager of advertising and public relations, pointed to an eight-qt. pot in the Premium line and a new 12-in. gourmet pan. A decoration, called Bounty, was added to a line of beige cookware.

"It's a matter of personal taste," Vogt commented. "Some people like them plain, some people are attracted to the decorations."

But no matter what color they buy, he added, "People are looking for value. They're willing to pay more if they perceive the product's value is real. They will pay to get quality."

### Promotions beefed up

Wear-Ever will stress quality and reliability in its ad program this fall. It

will also be strong in the in-store demonstration area, Vogt said.

Club Products has its "Cooking with Sara" program with Sara Keller going strong in stores across the country, pointed out Barbara Moore, director, merchandising and advertising.

And Regal will advertise its cookware in several major consumer magazines and launch a two-week television campaign in key markets during the last two weeks of November.

"It's a program we've been using for four years now," explained Halfmann. "Housewares sell well at that time of year. People are getting ready for holiday entertaining."

## Simple graphics and table clocks are big

(Continued from page 34)

division, Bulova Watch Co. If it doesn't tell time, he remarked, a model cannot be successful. Most models on display at the show tended toward clean lines and simple graphics.

Besides wall clocks, table models also remain popular. "Wood is becoming a big favorite," said Larry Lich, general manager national accounts and clock sales, Seiko.

As for prices, decreases will not come as rapidly as in the past, manufacturers said. Some added that technological improvements have reached their limit, at least for the time being.

## Gillette personal care and appliances merge

BOSTON—Gillette North America, one of the four major operating units of Gillette Co., has merged its appliance division into its personal care division, effective July 1.

According to Derwyn Phillips, executive vice president of Gillette North America, the merger will strengthen Gillette's appliance business.

This will come as a result of a reduction in overhead expenses, and more complete integration of marketing activities related to personal care toiletries and appliance products.

The Gillette appliance division was formed in 1973 following the introduction of the Max hair dryer by the personal care division in 1971.

## 4-HOUR RECHARGEABLE BATTERY

Easy to use with all Portable Video Recorders

**Porta-Power**  
The Rechargeable Portable Battery Pack

Porta-Power offers you these outstanding features:

1. Charges overnight (12-18 hours); recharge with the exclusive Cinema IV Porta Power multi-stage, semi-permanent 800MA charger. No need to ever worry about overcharging.
2. Built-in fuse to prevent electric hazards from misuse or accidents.
3. Eliminates the need to carry the tuner/charger.
4. Eliminates the need to carry extra batteries.
5. Can be used with any portable video system.
6. Rechargeable through auto cigarette lighter (optional).
7. AC charger included.
8. 6-foot car cord included.
9. Shoulder strap and handy belt loop included.
10. Battery charge check lamp (red-green LED) included.
11. Compact size and light weight—8 7/8" X 3 3/4" X 2 1/8" lbs.
12. Has given over four hours of recording time with RCA VHS 170 and the RCA 010 color camera.
13. One year parts and labor guarantee.

**NOW ONLY \$149.95**



**Cinema IV**  
1612 West Bay  
Newport Beach, Calif. 92660  
(714) 770-6874

Dealer & Distributor Inquiries Invited

## Electronic sales boom

(Continued from page 63)

year. "There is a glut of people dumping carry-over product from last year," he remarked. Despite this, Katz is optimistic about the rest of 1981, and expects to see strong third- and fourth-quarter sales.

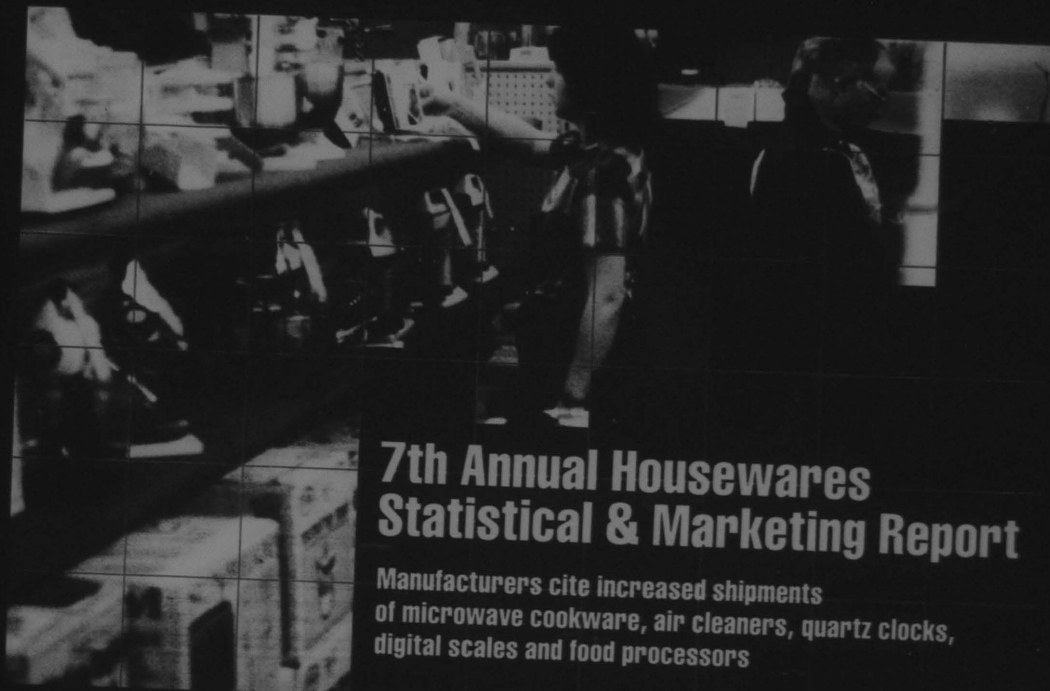
Home computers are still feeling growing pains, according to Sy Lipper, president of APF. He explained that the field is working to win consumer acceptance, and sales are growing rapidly. He said he expects the second half of 1982 will be a turning point in the business.

AUGUST, 1981

81

# Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS • HOUSEWARES • MAJOR APPLIANCE DISTRIBUTORS



## 7th Annual Housewares Statistical & Marketing Report

Manufacturers cite increased shipments of microwave cookware, air cleaners, quartz clocks, digital scales and food processors

## Retailers share sales-building Christmas ideas

- Santa's auction sells \$10,000 of hifi equipment
- July promotions launch Christmas sales early
- Elves pass out free cassettes to draw shoppers



Storm strikes the Sound of Music

Advance preparation turns a crisis, a potential disaster, into 'Tornado-Tested' sales

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Becker electronics, U.S.  
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new merchandise was  
(Continued on page 81)

MERCHANDISING

## Insurance disaster

a disaster at any time,

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ntinued on page 81)



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MERCHANDISING

## Apple C.O.R. is introduced to train computer retailers

By Nancy Markov, associate editor

ST. PAUL, MN—Having sales personnel properly trained to sell computers is a major problem facing many retailers. And, in some cases, it has slowed their entrance into this booming product category.

In response to this, Apple Computer, Inc. has introduced Apple C.O.R. (customer-oriented-retailing), a three-day program for sales personnel. In it, they learn how to qualify the computer customer, deal with his objections and close the sale.

And the role playing situations incorporated into the program allow them to try out what they learn before getting back to the sales floor.

Pilot programs are currently being run on a bi-weekly basis. The official schedule of weekly sessions will be announced by Apple on Oct. 1.

Computers are specialized sales

According to Bob Rogers, director of retail sales development, Apple C.O.R. was adapted from an existing sales training program to apply to a retail environment.

"Because computers are not an impulse purchase, they require a different kind of selling approach," said Rogers. "And, Apple C.O.R. was designed to provide that sales training."

"The program," he continued, "is roughly broken down into 75 percent instruction in selling skills and 25 percent motivation on the fun of selling computers. It lasts for three days, eight to 10 hours each day."

Rogers added, "The salesperson learns how to understand the consumer, to learn to identify where he is in the sales process. Is he just looking or is he ready to make a decision on a computer system?"

Emphasis is placed on the features and benefits aspects of selling and on how to close the sale. In some cases, noted Rogers, follow-up techniques out of the store may be necessary to make the sale.

### U.S. consumer market entered by Blaupunkt

OPA LOCKA, FL—Blaupunkt has announced plans to enter the American consumer market with products other than the autosound items it is already known for.

The German firm produces high fidelity stereo systems, VHS recorders, television sets and other related items. Its first entry in the U.S. is a high fidelity mini component system which has been distributed in Europe for more than a year.

### Jensen set to open loudspeaker facility

LUMBERTON, N.C.—International Jensen expects to open its new loudspeaker plant here this month, expanding the company's production capacity by 50 percent.

The firm, maker of Jensen speakers and components, claims it is the largest integrated manufacturer of high-performance loudspeakers in the U.S.

Role playing is a major part of the course, noted Rogers. The 15 to 20 people in the program are split into groups of three. The "customer" and the "salesman" practice the selling process as the "observer" sits by with a checklist to evaluate their efforts.

On the third day of the course, the role playing encompasses all of the lessons learned, including how to deal with customers' attitudes and how to handle their objections in committing to a system.

Fee for the program is \$300 per person. While pilot sessions are now being run around the country, the program will be unveiled officially on Oct. 1 with a fourth-quarter listing of scheduled courses.

Because classroom facilities are already available in Apple's regional sales office, early sessions are to be scheduled in Dallas, Chicago, Boston, Baltimore, New York and Charlotte on a weekly basis.

Hotel sites in other cities around the country will be used as well, depending on regional demand, said Rogers.

In addition, other topics may be tacked onto the program in the future, discussing "how to sell to a major account" or special product training.



FOLLOW-UP TECHNIQUES in closing a sale are taught by Apple Computer, says Bob Rogers, director of retail sales development.

## DON'T GET CAUGHT SHORT! AMERICA IS NATURALLY TURNING TO GAS.

Americans are buying efficiency.

More and more, Americans are asking the same question when they shop for major appliances. "Which are the most efficient, gas or electric?"

The national consumer information program sponsored by GAMA is providing the answer.

On television and radio, and in magazines, we're telling Americans how the increased efficiency of the new gas appliances saves them money and energy.

Compared to electric, the new gas appliances are far more efficient for cooking, drying clothes, heating water and heating homes.

So, naturally, more and more people will be choosing new gas appliances when they buy.

Isn't it time you put stock in your future?



**Gama**

Gas Appliance Manufacturers Association

The new gas appliances are good for your economy.





A GRALLA PUBLICATION

# Merchandising

OCTOBER 1981

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

In-depth interviews with 847 shoppers  
reveal hot spots in purchase patterns



- 16.0% of hifi owners plan to upgrade system within six months
- 33.0% of television sets were bought at appliance/TV stores
- 59.2% of car owners have had a stereo system installed
- 20.4% of personal computer owners bought where prices were low
- 7.2% of VCR non-owners are considering a purchase
- 25.7% of calculators were purchased in department stores
- 11.9% of microwave ovens are built-in models
- 20.9% of households own at least one electronic game
- 20.7% of all households now have a food processor
- 11.6% of air conditioners are more than 10 years old
- 36.3% of shoppers buy personal care appliances at discount stores



## Annual Consumer Survey

# 9

NINTH-ANNUAL  
CONSUMER SURVEY

## Videodisc Systems

Is there a videodisc system in your household?  
(847 replies)

Yes 0.6%

When did you buy your videodisc system?  
(4 replies)

1981 4

### Five own videodisc systems

The latest arrival on the home electronics scene, videodisc players, were owned by only five of the 847 shoppers interviewed by *Merchandising*. Of those, four owned laser systems and one person had a CED.

It is, of course, difficult to track a product with such a low rate of saturation (only 0.6 percent of the households represented in the survey). And some of the reasons listed by non-owners who plan to remain non-owners show the problems this product may face in winning over the public.

The majority of the shoppers interviewed saw no need for the product and expressed no interest whatsoever in buying one. A number of people who owned VCR's said they thought it would be unnecessary to have a videodisc player too.

A large number of shoppers did not know what a videodisc player was. And those who did said they knew about the shortage of available programming. Summed up one shopper, "They're too new. I don't think they've been tested enough yet."

If there is no videodisc system in your household, are you considering getting one within the next six months?  
(842 replies)

Yes 3.09%

Approximately how much did your videodisc system cost?  
(3 replies)

\$700 - \$750 3

How many videodiscs are there in your household?  
(5 replies)

1 - 9 2  
10 2  
Over 10 1

One year from now, how many videodiscs do you expect will be purchased per month in your household?  
(5 replies)

None 1  
1 - 2 3  
More than 2 1

If you have a videodisc system, what kind is it?  
(5 replies)

CED 1  
Laser 4

Where was your videodisc system purchased?  
(5 replies)

Department store 1  
Electronics specialty store 1  
Video specialty store 1  
Others 2

How many discs are bought per month in your household?  
(5 replies)

None 1  
1 - 2 3  
More than 2 1

How many discs are rented per month in your household?  
(5 replies)

None 4  
1 1

## Personal Computers

Is there a personal computer in your household?  
(847 replies)

Yes 6.4%

When did you buy your personal computer?  
(54 replies)

1981 22.2%  
1980 40.7%  
1979 18.5%  
1978 3.7%  
1977 5.6%  
1976 3.7%  
1975 5.6%

### 6.4 percent have computers

Personal home computers, another relatively new category, are showing signs of increasing acceptance, with 6.4 percent of the shoppers saying they now own one and 7.7 percent of those who do not indicating they would purchase one soon.

In addition, 25.9 percent of those with a computer plan to upgrade it in the next six months. Another 5.6 percent plan to replace it altogether with a more sophisticated model.

Even in computers, it's interesting to note, price played the strongest role when the purchase was made. Some 20.4 percent of the computer owners bought at a store where they got the best price.

If there is no personal computer in your household, are you considering getting one within the next six months?  
(793 replies)

Yes 7.7%

How much did your personal computer cost?  
(38 replies)

Under \$250 10.5%  
\$250 - \$499 23.7%  
\$500 - \$899 21.1%  
\$900 - \$1,999 15.8%  
\$2,000 - \$3,000 15.8%  
Over \$3,000 10.5%

What was the most important factor in making the decision to purchase the personal computer at that particular outlet?  
(54 replies)

Lowest price 20.4%  
Store specialized in computers 16.7%  
Store offered large selection of software 14.8%  
Convenient location 11.1%  
Carried the brand wanted 11.1%  
Widest selection 3.7%  
Drawn to store by advertising 3.7%  
Credit policy 1.8%  
Other 16.7%

Is anyone in your household considering replacing or upgrading a personal computer in the next six months?  
(54 replies)

Replacing it 5.6%  
Upgrading it 25.9%

Where was your personal computer purchased?  
(54 replies)

Electronics specialty store 46.3%  
Specialty store 13.0%  
Department store 9.3%  
Appliance/TV store 3.7%  
Discount store 3.7%  
Catalog showroom 1.8%  
Catalog store (Sears, Penneys, etc.) 1.8%  
Gift and others 20.4%

Percent of time computer is used for the following functions.  
(48 replies)

Personal business 48.4%  
Running a small business 23.2%  
Entertainment 10.5%  
School studies 6.6%  
Other 11.3%



only 1.5 percent. And the fact  
n video brought in only 1.3 per-  
cent.

MERCHANDISING

remote control. And our complete line  
of VCRs and color cameras.  
Compact bookshelf stereo.  
Component stereo with our  
revolutionary Balancer™  
speakers. And sleek  
"rack-type" audio systems.

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The brightest ideas in the world  
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Simulated wood cabinets

# 9

NINTH ANNUAL  
CONSUMER SURVEY

## 20.9 percent of shoppers have electronic games; 65.5 percent of them are video units

Of the 847 shoppers interviewed this year, 20.9 percent lived in a household where there was some kind of electronic game. And among those who did not own one, 10.3 percent said they expected to purchase one within the next six months.

The most popular type of unit is the video game, which hooks to a television. Some 65.5 percent of the shoppers who owned games reported that they had video games. Hand-held models were owned by 53.7 percent of the game owners. And board games, such as chess and backgammon, could be found in 15.8 percent of the households.

Households with more than one game tended to have more hand-held models than anything else. In homes with more than one unit there were an average of 1.75 hand-held games, 1.41 video games and 1.57 board games.

Last year proved to be a strong one in electronic games with the shoppers interviewed. They bought 63.1 percent of their hand-held games in 1980, 38.4 percent of their video games and 33.3 percent of their board games.

In the first half of 1981, the survey indicated, board games were doing especially well with 33.3 percent of the units owned bought in that six-month period. Video games were also doing well, with 17.6 percent of the units owned bought in the first half of the year. Doing somewhat weaker were hand-helds, with 9.2 percent of the units owned bought during the first half of '81.

### Will buy more

People who own electronic games seem to like them. In fact, more than half, 50.3 percent, said they will probably buy another within the next six months.

What kind will they buy? Video games appear to be the most popular. Almost half, 42.7 percent of the game owners, said that would be their next purchase. Another 33.7 percent said they'd buy a hand-held unit. And 23.6 percent indicated they'd opt for a board game.

The most popular price point for video games was between \$100 and \$200, accounting for 31.7 percent of the purchases. The \$50 to \$99.99 segment captured 15.9 percent of the sales. Some 12.7 percent of the shoppers had paid between \$200 and \$300 for their video game, and 7.9 percent paid \$300 or more.

The average price of a video game was \$114.16.

For hand-held units, the most popular price was in the \$25 to \$49.99 range, accounting for more than half, 54.9 percent, of all purchases. Only 17.7 percent fell below \$25. And 27.4 percent were above \$50.

The average price of a hand-held game was \$44.90.

For board games, the most popular price point was \$25 to \$49.99, accounting for 41.7 percent of the purchases. Only 25 percent fell below that level, and 33.3 percent were above. The average price of a board game was \$86.58.

Department stores turned up first when shoppers were asked where they had purchased their electronic games. They accounted for 27.7 percent of the sales.

After that came catalog stores with 15.3 percent, discount stores with 12.4 percent, electronics specialty stores with 10.7 percent, appliance/TV stores with nine percent, toy stores with 8.5 percent and catalog showrooms with 5.7 percent.

Shoppers with programmable games owned an average of 5.4 cartridges.

### List objections

Among the shoppers who did not own electronic games, there was a hard core group who said they had no use for them. People without young children at home were especially inclined to reject the idea of ever buying a game.

One individual, however, said he thought they damaged the TV screen, and would not buy one for that reason. Another said his children already used the TV too much, and he wasn't going to provide them with any more encouragement.

## Electronic Games

Are there any electronic games  
in your household?  
(847 replies)

Yes 20.9%

If there are no electronic games in your  
household, is anyone likely to purchase  
one within the next six months?  
(847 replies)

Yes 10.3%

If you now have an electronic game in your  
household, are you likely to purchase  
another within the next six months?

Yes 50.3%

What kind of electronic games do you  
now have in your household?  
(177 replies)

Video 65.5%  
Hand-held 53.7%  
Board (chess, etc.) 15.8%

When was your most recent game  
purchased, and what kind was it?  
(168 games)

	All games	Video games	Hand-held games	Board games
1981	15.5%	17.6%	9.2%	33.3%
1980	47.6%	38.4%	63.1%	33.3%
1979	18.4%	17.6%	18.5%	25.0%
1978	9.5%	12.1%	6.2%	8.4%
1977	3.6%	5.5%	1.5%	—
Before 1977	5.4%	8.8%	1.5%	—

Where was the electronic game you  
purchased most recently bought?  
(177 replies)

Department store	27.7%
Catalog store (Sears, Penneys, etc.)	15.3%
Discount store	12.4%
Electronic specialty store	10.7%
Appliance/TV store	9.0%
Toy store	8.5%
Catalog showroom	5.7%
Gift store and others	10.7%

A number of people said they thought the games were simply too expensive, and might consider them if and when the price comes down.

"They'd be fun the first day—then I'd lose interest," commented one shopper.

And among others, a good strong work ethic was evident. "I don't have time for games," said one. "We work more than we play," added another shopper.

If you are likely to purchase another  
electronic game within the next six months,  
what kind is it likely to be?  
(89 replies)

Video 42.7%  
Hand-held 33.7%  
Board (chess, etc.) 23.6%

How many of each type of electronic  
games do you have?  
(Households with more than one game)

Video 1.41  
Hand-held 1.75  
Board (chess, etc.) 1.57

How much did you pay for the electronic  
game you bought most recently?  
(126 replies)

	Video games	Hand-held games	Board games
Under \$25.00	14.3%	17.7%	25.0%
\$25.00 to \$49.99	17.5%	54.9%	41.7%
\$50.00 to \$99.99	15.9%	19.6%	—
\$100.00 to \$199.99	31.7%	7.8%	8.3%
\$200.00 to \$299.99	12.7%	—	25.0%
\$300 or more	7.9%	—	—
Average price	\$114.16	\$44.90	\$86.58

How many cartridges for programmable  
games do you have in your household?  
(173 replies)

None 46.8%  
1 to 4 28.3%  
5 to 9 15.6%  
10 to 19 7.5%  
20 or more 1.8%  
Average: 2.9  
Average for households with one or more: 5.4

Christmas. To  
increase your  
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Skokie, IL 60077

ZIP

MI 1081

ands were named by one

(20 additional brands were named by fewer than three respondents each.)

(10 additional brands were named by fewer than three respondents each.)

(Six additional brands were named by one respondent each.)

MERCHANDISING

OCTOBER, 1981

39

## us added cartridges

IL—The distortion-elliptical stylus used rs, Inc. in its V15 s has been added to ges in the company's

cartridges offer the g feature at moder- al for low-priced upgrading older HE Type 2 delivers bility at tracking ¼ and 1½ grams,

Type 2 is similar in e M75HE Type 2, for heavier tracking sted tracking force Type 2 is 1¼ to 2¼

se hyperelliptical- s are the V15 LT igned for the new echnics SL-Series new Cartridge (the is designed exclu- 09 Series, III and arms. Similar in V15 Type IV, the ted with the SME ced mass without

al tip differs from ridge stylus tips in ined and critically try allows it to ed material with y, Shure said. elliptical diamond crystalline defects and is securely tylus shank. It ed 25 percent m over a conven- ical) stylus.

se MV30HE re- carrier arm into a turntable. The eliminates nuts, pin wires usually hono cartridges. prices for car- s Type 2, \$92; 2; V15 LT, \$130; HE, \$230. c., 222 Hartrey a, IL 60204.



Type 2

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a Corp., 3085 n, OH 44313.

CHANDISING

## Hitachi launches mini stereo system

COMPTON, CA—A one-piece, mini-matched music system from Hitachi features a 12-watt/channel amplifier; an AM/FM digital tuner and cassette deck with Dolby noise reduction and metal tape capability; and two detached, two-way speakers.

The entire model J5 system measures 8½ by 24 in., and carries a suggested retail price of \$549.95. The amplifier section offers 12-watt/channel (RMS) into four ohms from 40 to 20,000 Hz with no more than 0.8 percent total harmonic distortion. The unit features left and right line microphone jacks; detent knobs for record volume, bass, treble and balance; feather-touch buttons for tape, auxiliary, tuner, phono and



Mini-matched music system

loudness; and an overall volume control.

The tuner features vector tuning and LED's for FM stereo and stereo wide. The speakers feature 4-3/4-in. woofers and two in. tweeters. The unit operates on 120V/AC house current or on 12V/DC car batteries.

Hitachi Sales Corp. of America, 401 W. Artesia Blvd., M. Compton, CA 90220.

## Compact radar detector introduced by Whistler

WESTFORD, MA—Whistler has introduced the Z-70 Speed Radar Detector, designed for down-sized cars.

At long range, Z-70's Geiger counter slowly flashes and beeps a warning. At closer range, the flash and beep rate speed up. A rapid, short alarm burst alerts the driver when there is a newly triggered speed radar in the area.

The 12-oz. "smart box" performs in both urban and rural areas because it has a built-in protection against "falsing" from signals outside the X and K bands, Whistler said. The motorist controls sensitivity with a front panel knob.

Z-70 plugs into the cigarette lighter for power. The mounting bracket can be installed on either the dash or the sun visor.

The suggested retail price is \$139.95.

Whistler division, Controlonics Corp., 5 Lyberty Way, M. Westford, MA 01886.



Whistler Z-70

## Phase Linear debuts DSL stereo enhancer

LYNNWOOD, WA—Phase Linear Corp. has introduced a new sound enhancement device, the Model 150 Dimensional Sound Localizer, or DSL, intended for use with loudspeakers or headphones.

With headphones, the DSL offers time correction for intra-aural compensation, reducing in-head localization and listening fatigue. With loudspeakers, stereo-strengthening circuitry improves richness, depth and clarity of stereo sound, according to the manufacturer, and can be used for enhancing monaural sources such as television or VCR audio output to give a quasi-stereo effect. Magnitude of enhancement is user-adjustable, and no additional amplification is needed to feed the unit.

Suggested retail is \$149.95. Phase Linear Corp., 2021 48th Ave., West, M. Lynnwood, WA 98036.

## Mattel computer aids child's learning

HAWTHORNE, CA—The Children's Discovery System is a self-contained electronic learning system that allows a child to have fun while learning, according to Mattel.

The computer has a multi-function keyboard, musical sound effects, an animated viewing screen and three built-in introductory modes. These teach vocabulary, music and art skills.

The system comes with a math module. Like supplementary modules, this one includes a cartridge, an overlay and an activity book with instructions. Other modules include Words I, Words II, Art, Arcade Action and Music. Science, Sports and History will be available later this year.



Children's Discovery System

The other modules, and the CDS hardware, will be shipped this month. The software will retail for about \$35; the hardware, \$125-\$135.

Mattel Toys, 5150 Rosencrans Ave., M. Hawthorne, CA 90250.

# GOLD STAR TV. THE GREAT SECOND SET.

### Sells fast as a second TV and even a third. Because it's second to none in value.

Incredible. Over half the TV households in America have almost three TV sets. That's over 40 million homes.

Which simply means that people are buying second and third TV sets in record numbers. Sets for kitchens, dens, kids' rooms, summer homes, guest and rec rooms, patios, and even boats and campers.

It all adds up to one huge and profitable market. And you can take full advantage of it with Gold Star TV.

Why Gold Star? The answer is in the exceptional value and quality of our sets. You see, people buying TV sets in these economy-minded days — especially extra TV sets — are naturally more value-conscious than ever. They want solid performance, advanced features and quality — but without the high price tags of the big name sets.

Gold Star meets all their needs in 17 outstanding color and b & w TV sets. All at affordable prices.

That's why Gold Star is fast becoming the first choice of people looking for a good second set.

For more information, write or call: Gold Star Electronics Int'l Inc., 1050 Wall Street West, Lyndhurst, NJ 07071. Tel: 201/460-8870.



**GOLD STAR**  
THE  
QUALITY CHOICE

OCTOBER, 1981

41

STORE NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_  
ZIP CODE \_\_\_\_\_

A 10-minute rhythmically modulated program alternates between "white" and "pink" noise at a controlled rate which is rapid at first and then gradually reduced.  
About the size of a pocket radio, the three-oz. device has a suggested retail of \$139.99.  
Omnitronics Research Corp., 3085 W. Market St., M. Akron, OH 44313.

MERCHANDISING

## PRODUCT PICTURE/ELECTRONICS

### Four auto units fill out Clarion line

CHICAGO, IL.—Three economical stereo cassette receivers boasting improved FM reception in smaller chassis, plus the first specially designed GM J-car cassette radio, have been introduced by Clarion Corp. of America.

Designed to fill out the company's product line at the low end, these new units will all retail for under \$200, yet each has multiple features. The units have been streamlined for maximum installation flexibility and will fit into virtually any vehicle—past, present or future, Clarion claims.

Improved FM reception is a result



Clarion 2100R

of the interaction of a fully automatic local distance circuit which continuously monitors the desired FM signal as well as strong competing signals, and eliminates overload distortion by automatically adjusting RF amplifier gain to deliver clear, interference-free FM reception, claims Clarion.

Clarion Corp. of America, 5500 Rosecrans Ave., M. Laundale, CA 90260.

### Recorder syncs 35mm slides and sound

NORTH HOLLYWOOD, CA.—Thirty-five millimeter slide show programming with narration and music is possible with the Audiotronics Audio Trak model 124S cassette recorder.

The unit records 1000 Hz signals on a separate tape track to control most popular slide projectors. Changes can be made on either the sync or audio tracks without affecting the other.

When not being used to record or playback sound/slide presentations, the Audio Trak can be used as a conventional portable tape recorder.

Audiotronics Corp., 7428 Bellaire Ave., M. North Hollywood, CA 91605.



Audio Trak model 124S

### Timex debuts buttonless LCD's

MIDDLEBURY, CT.—A Timex line of six LCD watches for men and five for women all feature a front-push bar that replaces the side buttons. The watches are under 5 millimeters thick.

They are faced in grey, brown, champagne or burgundy to complement—or gold-tone or silver-tone to match—the cases. All are affixed to either leather straps, smooth or textured, or adjustable link bands.

The men's eight-digit, five-function LCD's offer both 12- and 24-hour timekeeping, and a 30-year calendar that only needs resetting when changing the battery. The ladies' models feature four digits, five functions and a four-year calendar.

The watches' suggested retail prices range from \$24.95 to \$37.95.

Timex Corp., Park Rd. Extension, M. Middlebury, CT 06762.



Timex style #72611

### Sharp pocket computer has 1.9K RAM memory

PARAMUS, NJ.—Smaller than a paperback novel, the Sharp Electronics PC-1211 pocket computer features a 1.9K RAM memory, programmable through the keyboard.

The addition of an optional interface with hard-copy printer broadens the scope of the PC-1211, Sharp said.

The PC-1211 carries a suggested retail list price of \$249. This includes three manuals that explain the device's benefits, and offer instruction on the design of more than 125 programs.

The CE-121 cassette interface carries a suggested retail list price of \$50. The CE-122 cassette interface/hard-copy printer carries a suggested retail list of \$150.

Sharp Electronics Corp., 10 Key-stone Pl., M. Paramus, NJ 07652.

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## PRERECORDED VIDEO REPORT

### RCA aims \$20 million disc campaign at 95% of TV viewers

By Pamela Golden, associate editor  
NEW YORK—RCA is supporting its videodisc efforts this fall with a \$20 million advertising campaign and an additional 25 titles for its software catalog. The campaign will be backed up by "Video Expo Days," through Oct. 25.

The ad campaign, which will run until Christmas, is geared for the family audience and shows the disc as an alternative to broadcast TV. The emphasis is on software. It is a high-saturation campaign which is aimed at reaching 95 percent of the target audience about 23 times.

Although all the commitments have

not been made, Jack Sauter, group vice president, said RCA would not be advertising the videodisc on sports programs including the NFL games. He did add, however, that the company is seriously looking at daytime and Saturday morning shows.

In addition to the TV commercials, RCA is running a million dollar radio campaign, which will last until December. The company is also heavily investing in print ads, including a four-page color insert which is scheduled to run in 144 papers in all major markets on Oct. 6. The one-shot deal is expected to reach more than 40

million readers.

The Video Expo Days promotion includes a \$50 rebate on the player with a 10-day return guarantee, a trade-in option for TV sets and \$100 rebate on VCR's. Sauter said during a recent 10-day rebate and 10-day trial promotion in Atlanta, 130 videodisc players were sold. Although three were later returned, two of those were traded for VCR's.

RCA claims it has shipped about 80,000 players to distributors since the March introduction, and that between 35,000 and 40,000 have been sold. Sauter said he is confident that RCA will reach its sales goal of

200,000 players by the end of the year.

The expanded catalog includes several movies, children's programs, sports, television programs and musical/variety shows. The titles are: The Elephant Man; Raging Bull; Friday The 13th; History of the World, Part I; The African Queen; Stagecoach; Swing Time; City Lights; The Greatest Show on Earth; Mary Poppins; and The Odd Couple.

Other movies include: The Magnificent Seven, Death Wish, Barbarella, and From Russia With Love. Children's programs are: Tales From Muppetland and Escape to Witch Mountain.

Complete Tennis From the Pros, Vol. 1: Strokes and Technique, and the World Series—1980 make up the sports additions. The television selections are: Little House on the Prairie; The Fugitive, The Final Episode, and Saturday Night Live, Vol. 1. The three music/variety programs are: Let It Be (The Beatles), Fleetwood Mac and Fun In Acapulco with Elvis Presley.

### MGM/CBS acquires rights to Janus films

NEW YORK—MGM/CBS Home Video has acquired the rights to six Janus films and will be marketing 10 Lorimar movies in North America, South America, Australia, New Zealand and South Africa.

The films from the Janus catalog include Black Orpheus, (already released) Wild Strawberries, Shoot the Piano Player, Grand Illusion, Major Barbara and Knife In The Water. MGM/CBS Home Video has the rights for both videocassette and videodisc formats.

The Lorimar selections include current and future releases. The current titles are Victory, S.O.B., The Postman Always Rings Twice, Second Hand Hearts and Sea Wolves. Included in the future catalog are Lookin' To Get Out, with Jon Voight and Ann-Margret, Urgh! A Music War, a new wave rock musical; Night School; Love and Money, and Fast-Walking.

### RIAA/Video certifies eight Gold Awards

NEW YORK—The RIAA/Video has certified eight Gold Awards for prerecorded tape and disc programs. Five of the awards went to Magnetic Video with the three remaining being presented to MCA Videocassette/Videodisc. These additions bring the total of awards to 29.

The five Magnetic Video titles are Butch Cassidy and the Sundance Kid, 9 to 5, Norma Rae, The Rose and Silver Streak.

The three MCA titles which were certified include Cheech And Chong's Next Movie, The Electric Horseman and Flash Gordon.

Requirements of the award include a minimum sale, net after return in either cassette or disc formats, of 25,000 units with a value of at least \$1 million in sales at the retail list price.

Platinum awards require a minimum sale of 50,000 units with a value of at least \$2 million at the retail list price.

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## Fall video game shortages expected, yet promos continue

By William Silverman, sr. assoc. ed.  
SUNNYVALE, CA—Video game shortages will again hold down retailers' sales volume during the holiday season. Because of explosive growth, some manufacturers also predict seasonal shortfalls in 1982 and beyond.

In any case, suppliers have programmed a wide range of advertising, new products and point-of-purchase displays to aid dealers during the fourth quarter and into next year.

In self-contained games, the trend continues to be toward upscale units with more "play value" than the sports games that were so widely discounted during the past year.

Video game demand will exceed supply at least through 1983, predicted Atari consumer division vice president of marketing Ron Stringari. "At the end of last year, about four percent of homes had a programmable video game," he said. "It is very easy to see that growing to 30 percent or more by 1985."

Atari hardware and software has been sold out since March. Early orders are advisable for January and February deliveries, Stringari continued.

Nevertheless, the Christmas advertising budget is four times that of last year, he said. This includes a heavy network television schedule.

Atari will introduce 10 new game titles in 1982. By the end of this year, a wireless video game system will start to appear in stores at a suggested retail price of \$299.

In addition, a new display case allows customers to try out up to 36 different cartridges. "Showing an assortment of games and having a hands-on display are the most important things a retailer can do," Stringari added.

### Industry was fooled

"In essence, we're sold out from now until the first quarter," commented Activision president Jim Levy. "We hope by February to be coming fairly close to market demand. The whole industry was fooled this year by the rate of growth."

According to Levy, because of demand for the first 10 games, release of the Ice Hockey and Stampede cartridges has been put back from September to December.

Network, cable and spot television commercials will be aired from mid-November to Christmas, and in February, he added. New p-o-p aids debuted last month.

"It's too late now to place an order," said Jerry Michaelson, vice president of special markets at Magnavox. "We are looking at shipping more until the end of the year than all last year."

"Our advertising expenditures in the past two years were lower (than competitors'), so our awareness was lower," he added. "This year will give us high awareness."

In 1981, eight new cartridges were added, for a total of 33. Another one, in the Master Strategy series, will soon be introduced.

At Mattel Electronics, also, "Retailers have ordered Intellivision (hardware) well beyond what we can produce," said Frank O'Connell, senior vice president of sales and marketing. "There also might be a temporary shortage of shot cartridge."

A "Sweepstakes of Champions"

sports promotion, with George Plimpton as spokesman, has been timed to reinforce holiday television advertising. It is being announced to consumers via print media and in-store merchandise materials. Retailers will receive information and entry blanks through the mail.

In the next few months, recently shipped Mattel cartridges Boxing and PBA Bowling will be joined by Triple Action, Space Armada, Astro Smash and Snafu, O'Connell said.

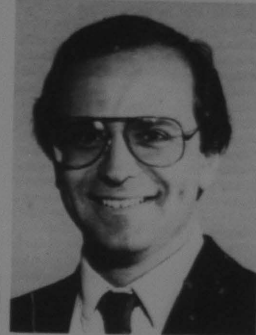
### Hand-held producers upgrading

In hand-held games, Mattel has dropped Level II wholesale prices to

Some retailers have ordered in smaller initial quantities this year, he explained, but Coleco is ready to ship orders into the Christmas season. "We are not pessimistic," he said. "We are looking forward to the fall."

New products now beginning to appear on retailers' shelves include Head to Head Boxing, Total Control 4 programmable sports games and Bowlatron—a fourth-generation bowling game.

In addition, Coleco recently signed an agreement with Midway manufacturing Co., a subsidiary of Bally Manufacturing Corp., for exclusive use of the Midway trademark on



**STRONG GROWTH** fooled the whole video game industry this year, comments Activision president Jim Levy. His firm is sold out "from now until the first quarter."



**SHORTAGES WILL OCCUR** because retailers have ordered Intellivision far beyond what Mattel can produce, says sales and marketing vice president Frank O'Connell.

president Carl Wingate. "It does not seem to have suffered from the gyrations of handheld electronics."

A print campaign, begun last summer, was expanded in October. Ads are now appearing in Scientific American and other special interest magazines.

"There could be a couple of items short from time to time," Wingate added.

Fidelity Electronics' \$37.50 wholesale mini-sensory chess game is sold out through mid-1982, said Oscar Segal, director of public relations. The company will support its chess, backgammon, checkers and bridge games with major market spot TV.

Newspaper ads—co-op or otherwise—benefit from the phrase "As seen on TV," he pointed out.

## Caloric appoints four distributors for appliances

TOPTON, PA—Four prime distributors for appliance sales have been named by Caloric Corp.

The appointments are part of Caloric's program to strengthen the company's sales and sales service activities in markets where it does not sell direct to the retail dealer.

The four distributors are: Primo

Distributing, Eden Prairie, MN, serving Minnesota and North Dakota; Davis-Wakins Co., Nashville, TN, serving central Tennessee; Taylor Distributing Co., Inc., Billings, MT, serving Montana and some northern counties of Wyoming; Joe L. Pleasants, Inc., Charlotte, NC, serving North and South Carolina.

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ODYSSEY<sup>2</sup> THE MONEY MACHINE.

\$12 from \$26. "This is indicative of current market saturation, and the fact that there is so much lower-priced stuff out there," O'Connell said. The horse race analyzer is wholesaling for \$17, down from \$75.

The new World Championship sports games wholesale at \$49, and will be advertised on major market spot television. Dungeons & Dragons—wholesales for \$36 and is close to sold out, he continued.

While all new products will be advertised, he added, the recently introduced chess and backgammon games will receive especially strong co-op support.

Coleco plans to begin advertising support early, to generate early consumer movement, said vice president Mike Katz. "We have seven new commercials for electronic games, and will support them."

way we want them

mers don't just want to cook (which is what's by the demonstrators sends out). They want the operating features. They have more what Shelly says be art of the Eklund staff,"

were started as an aid of microwave ovens. first came on the market, I sure how to use them. amors of hazards. Even people who bought them all the capabilities they and up using them just up of coffee or defrost Eklund said.

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a complete appliance full-time servicemen. de both service work (Continued on page 85)



**BRANDS**, all prod- uctivist Shelly Fagen- and's in-store demon- strator different from demonstrators.

MERCHANDISING

## NEWS/FEATURES

# IBM personal computer gives new status to industry and helps sales, retailers say

By William Silverman, sr. assoc. ed.  
NEW YORK—The introduction of a personal computer by International Business Machine Corp. (IBM) this fall is giving the industry new status, and will also boost sales of other microcomputers, according to retailers.

"This can't help but lend credibility to the industry and generate increased awareness that microcomputers exist—and that will do everybody good," commented Al Cook, manager, Computer World, Appleton, WI.

"IBM will be playing catch up ball, though," he added. "Buyers are looking at what's available in pre-packaged software. Very few if any competitors can compete with Apple support."

The machine is "wonderful," said Lewis Polk, owner, Polk's Hobbies, New York. "But it's a personal computer, not a home computer. It is higher priced than most," he continued. "But it has a more advanced processor, and can hook up to an IBM mainframe."

Agreeing that the IBM introduction increases the credibility of personal computers was Warren Zorek, buyer at Bloomingdale's, New York. "The addition of a second line is currently under discussion," the Texas Instruments computer retailer revealed.

### Distribution is limited

The initial outlets for the IBM computer include the 140-store Computerland franchise chain, several business machine stores being started by Sears, IBM's own three retail stores and its direct sales force.

The new personal computer "is the biggest boost the industry could receive," agreed Computerland product manager Marian Murphy. "IBM entering personal computers legitimizes the whole industry. They have an excellent product and people associate IBM with computers."

Her chain was involved in the planning of the product for nine months, Murphy said. "The involvement of outside parties before the announcement is an incredible departure for IBM," she pointed out.

The desktop computer marks IBM's entry into consumer electronics. It is designed for use in homes, schools and businesses.

The basic computer, with the user providing his own display screen and cassette tapes, will cost about \$1,500. Complete with 64,000 bits of memory, a disk drive and a display screen, a typical home version will cost about \$3,000. A business system with color graphics, two disks and a printer will cost \$4,500.

### 'Used by an individual'

Television advertising, which has already begun airing, stresses that the computer is "friendly," and easy to learn to use. IBM considers it a "personal computer, used by an individual," said director of entry system hardware Don Estrich.

Thus, a hookup to an office mainframe is not officially regarded as of

primary importance.

"Software ranges from games to business," he said. These programs include EasyWriter, a word processing package. Businesses can also use General Ledger, Accounts Payable and Accounts Receivable by Peachtree Software, Inc. The popular VisiCalc program is also available.

Moreover, computer program authors who write applications may have them considered by the company's personal computer software publishing department. Similar strategy has resulted in an increase in software for Apple and other important suppliers.

The IBM personal computer includes a 90-day warranty for parts and labor. Additional service contracts are for nine months; or, annual contracts may be purchased for 10 to 15 percent of the machine's purchase price, Estrich told *Merchandising*.

If a machine does not function properly, IBM will send a "troubleshooting" program for isolating the problem. Within 48 hours of receiving that information, a repairman will install a new part.

Turning to marketing, Estrich



IBM PERSONAL COMPUTER is its smallest, lowest priced system. This expanded version for business with color graphics, two diskette drives and a printer costs about \$4,500.

continued, "We believe this product requires sales through retail stores, and started with two of the best." Any marketing expansion will be evaluated later this year, based on sales and manufacturing capability, he added.

Is there a lower-priced personal computer in IBM's future? "The whole goal is to drive down the cost of computers," Estrich commented. "IBM will follow business opportunities wherever they take us."

"The growth (in sales) of personal computers to everybody—consumers, managers, small businesses and children—has been impressive to staggering," he concluded.

## Fashion appeal will sell the '80s digital watches: Timex

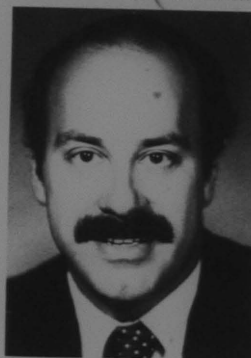
By William Silverman, sr. assoc. ed.  
MIDDLEBURY, CT—High Fashion will increasingly fuel LCD sales in the 1980's, and could also alter some traditional patterns of distribution.

That's the view of Paul Kulavis, Timex Corp. director of U.S. marketing.

"The LCD will split between style and function," he recently predicted. "Until now the hot thing has been functions. But some new features have marginal value. Most people can't use or don't know how to use all those functions. Fairly simple watches with looks also have a niche."

"High-technology watches comprise a large market," Kulavis continued. "But, if someone is getting dressed up, they don't fit." Eleven Timex LCD watches shipped this month get their fashionable look from a front bar that eliminates "inelegant side buttons" and allows the watches to measure less than 5 millimeters thick.

The five-function watches have either leather straps or link bracelets.



MARGINAL VALUE of some advanced LCD functions will result in larger niche for fashionable models in the '80s, says Paul Kulavis, Timex director of marketing.

and suggested retails of \$24.95 to \$37.95. The LCD's come with velveteen-lined, wood-tone p-o-p display back-up and gift boxes.

This fashion approach represents an effort to improve LCD marketing through jewelry and department stores, which generally "have not been very aggressive in recent years." It could also increase their ability to compete with discount stores and catalog showrooms, Kulavis said.

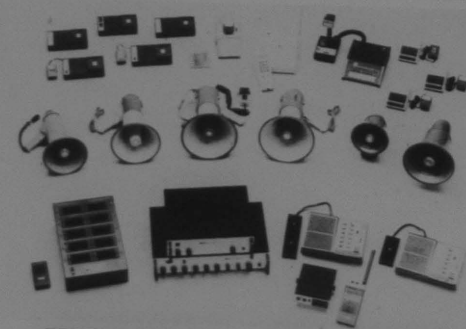
### Price remains important

Although LCD prices have been declining less rapidly than before, the market continues to be very price sensitive, he continued.

Still, Kulavis said he believes that the mostly imported, \$9.95 to \$19.95 watches, "won't get much cheaper." Fairly inexpensive, "branded" business from \$19.95 to \$59.95, with the bulk selling from \$20 to \$30, continues to be a "very large chunk" of the market. High-priced digitals, \$100 and more, are a "very small segment," he said.

During the next five years, digitals will inch up in popularity, although they will not gain much over their present one-third share of market, Kulavis predicted.

Instead, the fastest growing area will continue to be analog quartz watches. In a few years, the market will be divided equally among digitals, analog quartz watches and mechanicals, he forecast.



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## Maytag Foundation gives \$4,500 in scholarships

NEWTON, IA—The Maytag Co. Foundation has given a total of \$4,500 to seven midwestern universities to fund nine \$500 scholarships for seniors majoring in business or engineering during the 1981-82 academic year.

Scholarship winners will be selected from Iowa State University, Ames; University of Iowa, Iowa City; Kansas State University, Manhattan; Mankato State University, Mankato, MN; Oklahoma State University, Stillwater; University of Missouri at Rolla, and University of Nebraska, Lincoln.



## NEWSFEATURES

## Mattel Intellivision keyboard component set to wholesale for \$350 'sometime in '82'

By William Silverman, sr. assoc. ed.  
HAWTHORNE, CA—The Mattel Intellivision keyboard component will wholesale for \$350, and will be nationally distributed "sometime in 1982."

This latest word on the Mattel personal computer, originally scheduled to be marketed more than a year ago, came from Frank O'Connell, senior vice president of sales and marketing.

Limited distribution will begin in early October in Seattle, New Orleans

and Columbus, OH, he continued. Full distribution could include all Mattel master component dealers.

Why the continuing delays? "The most important thing is having the right product and the right programming, and not jumping in because other manufacturers and trade magazines are talking about personal computers," he said.

Furthermore, "The product and the software are more important than the price. This computer is very consumer oriented—a reversal of the 'small

business/working down to consumer strategy,'" he said. "It is very easy to operate, friendly equipment."

There is no floppy disc, according to O'Connell, because, "the preprogrammed cassette allows you to do a great deal more in the preprogrammed area."

### Language instruction featured

Cassette programs include conversational French, with a fully articulated face and dual cassette sound tracks. Jack LaLanne can keep track

of the owners' exercise regimens, and a budgeting program will be made available.

A Basic cartridge will also have "a lot of appeal," O'Connell said. "We'll have the software that people really want."

Peripherals will include a printer, manufactured by AlphaCom, that will retail for about \$250.

Service for both the keyboard and the master component will be handled by a national service network now being set up, O'Connell said. There will also be an 800 number with "qualified people to talk the consumers through."

A "great effort" will be made to train in-store personnel. Learning to operate the computer is "easy," he said.

Surprisingly, O'Connell expressed somewhat cautious views on the near-term future of home computers, noting, "I'm not sure how fast they'll develop—perhaps slower than a lot of people think."

However, "The potential is nothing short of 'spectacular,'" he said. Meanwhile, Mattel is "first seeing a boom in the video game area. And we can easily work up to a home computer, because the master component leads into the keyboard."



HOME COMPUTER potential is "nothing short of spectacular," says Mattel senior vice president Frank O'Connell. The Mattel keyboard component's distribution has been postponed until "sometime in 1982."

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## MERCHANDISING DIRECTORY 1982

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**Merchandising**

THE VITAL FORCE IN HARD GOODS RETAILING FOR THE 1980s

A GRALLA PUBLICATION

## Current piracy fines 'a slap on the wrist'

(Continued from page 50)

the current penalties amount to little more than a slap on the wrist to pirates, whose 1980 world-wide sales in sound recordings alone are estimated at \$1.1 billion by the World Intellectual Property Organization, a United Nations sponsored intergovernmental group. North America itself accounted for over half that amount.

"It is difficult to avoid a comparison between the minimal penalties risked, even for subsequent violations, by those who commit this type of offense and the increasing substantial industry losses," observed James Bouras, vice president and deputy general attorney for the MPAA. He told a Senate Judiciary Subcommittee recently that these crimes adversely affect the industry, artists, the public and the government.

And, he pointed out, "they are crimes which adversely affect thousands of retailers and other types of businesses all over the United States which serve as outlets for legitimate motion pictures and sound recordings, and who simply cannot compete with illicit merchandise."

MERCHANDISING

## 500 service centers planned for Atari VCS

SUNNYVALE, CA—Atari, Inc., has formed a nationwide independent service network to provide warranty service for the Atari Video Computer System (VCS).

The network will include 500 service locations by the end of 1981. It will be composed of independent electronics retail and repair centers with technicians trained and authorized by Atari.

In addition, the centers will become retail outlets for VCS joysticks, paddles and keyboards.

Michael Moore, president of Atari's consumer electronics division, said, "By recruiting and training independent shops to service our product, Atari can better serve the more than 2.5 million Atari VCS owners in this country."

Previously, all VCS service had been performed by Atari's own regional service centers, located in Somerset, NJ and Sunnyvale, CA. These centers will continue to operate as support for the independent service network. They will be joined by two more Atari regional centers in Chicago and Dallas later this year.

## Litton appoints Ward as Florida sales rep

MINNEAPOLIS, MN—Litton Microwave Cooking Products has appointed Ward Sales, Inc. of Jacksonville, FL as a housewares representative. Ward will carry the full line of Littonware microwave accessories.

The firm is responsible for sales throughout the state of Florida.

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I am enclosing a check for \$ ☐ This includes \$5 for a blind box number.

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Organization

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Established, profitable appliance stores located west of the Mississippi for sale by owners. Priced from \$23,000 to \$100,000. For further details, contact:

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No fee to buyer involved

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Top flight Sales and Marketing Director can help your company achieve your sales goals and will travel. Familiar with new product development and has set up national sales reps and worked with food brokers. For a new profit center, call today: Walt Weissner, (213) 823-2400.  
I am looking for a new home.

Director of Sales and Marketing for fast growing regional music/video/computer software distributor located in Vermont. Responsible for development of marketing strategies and systems, hiring and training sales and support staff, administration of all sales functions. Five years of sales management experience with sales staff of 10 or more for distributor or manufacturer a requirement. Experience with sales of similar product lines to mass merchandisers also required. Send salary requirements and resume to: Artex Distributing, 36 Church Street, Burlington, VT 05401.

# ***Merchandising***

Countertop microwaves sizzle  
in seventh annual major appliance survey

Factory outlet sales threat has local dealers up in arms

# **DIRECTORY 1982**

**GUIDE TO PRODUCTS,  
SERVICES & SUPPLIERS**

A GRALLA PUBLICATION  
Executive Offices: 1515 Broadway,  
New York, NY 10036 212/869-1300

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FOR OVER 56,000 RETAILERS & WHOLESALERS

NOVEMBER 1981

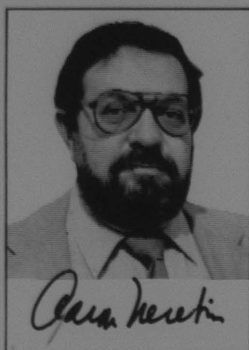
VOL. 6, No. 11

***Merchandising***

**1982 Directory: guide to products, services, suppliers**

84 Alphabetical listing of industry suppliers and services  
92 Housewares suppliers by product category  
99 Electronics suppliers by product category





**Editorially Speaking**

## A Consumer Electronics Consumer Show could help bring pride back to our industries

Probably one of the most important news developments in the electronics industry occurred last month in New York.

Jack Wayman announced that his Consumer Electronics Group of the Electronics Industries Association will sponsor a Consumer Electronics Show for the consumer.

The significance of this move (which we welcome even though we feel it is decades late) should not be downplayed. There is probably no consumer product industry in the world that can match the technological achievements of the electronics industry. There is probably no consumer industry in the world that has had the lifestyle impact on human beings than the consumer electronics industry.

Finally, there is probably no consumer industry in the world that can match the current research and development activity of the consumer electronics industry. As much as we stand in awe of the products currently on the market, we believe the swift pace of development will bring still more fantastic products to the consumer before even this decade is concluded.

Are we excited about a consumer show that will tell the public about our

incredible electronics industry and bring a new source of pride to all—particularly the retailers—who are part of it? You betcha!

### Avoid becoming 'ultra-commercial'

We hope that these shows will not become ultra-commercial and simply be hypes for consumers to go out and buy goods. We hope that suppliers will not only display current products but will go to their labs to talk about the future and to provide "how they work" exhibits for existing products. (Television, high fidelity componentry, videotape recorders, videodisc players, car stereo, calculators, computers and telephone devices, for example, have fascinating technical backgrounds.)

We hope that the consumer will not only be privy to catalog and price information on product being shown but will be invited to feel and touch and work and ask questions about the how and why of current and future products. We hope there will be a "memory lane" section recounting the pace and history of product development and the people who played the important roles in this development.

Obviously, we hope that the incredible excitement inherent in our

industry is conveyed to both consumers and retailers alike. We hope—no, we know—that Jack Wayman will bring the space age of electronic stimulation to bear on these shows.

We hope he makes these events happenings in their own right and we hope that every electronics dealer in this country pushes, presses, cajoles, and pleads with manufacturers, distributors and with the EIA to have these shows located in sites which will do them the most good.

Of course this means that the dealers will want to participate fully with such things as discount coupon giveaways, ads and in-store displays. But we would expect no less a participation with such an incredible amount of potential involved.

We congratulate Jack and the CEG for putting this proposition forth. It's about time that pride became an essential element among all of us who live with and move consumer electronics products on a daily basis.

Not only should we all voice support for this project, we should insist on the support moving in our direction as well. Let's hear from you. It's important that the voice of the distribution system play a role in the growth of this show idea. We shouldn't fumble the ball on this one. •



**From the Capital**

## FTC focuses attention on mail order selling, moves to inform buyers about rights, rules

Mail order merchandising is drawing increasing interest in Washington.

Counting its mail, the Federal Trade Commission (FTC) has discovered that almost one-third of all the complaints it receives from consumers are about deficiencies in firms selling by mail—usually about long delays in shipping the merchandise. The new attention on the problem will mean that merchants doing a good bit of mail order business will be feeling the heat, and that stores doing primarily on-location selling may get a tool to combat mail-order houses.

FTC rules now require that items have to go out within 30 days of the receipt of payment. If for any reason the merchant cannot meet that deadline, the customer has to be told that the whole deal can be called off or, if that option isn't chosen, when the goods will be on their way.

### Educational effort begins

Starting this month the commission and the Direct Mail/Marketing Association will be distributing a booklet spelling out these buyer rights. Called "Make Knowledge Your Partner in Mail Order Shopping," the brochure is the centerpiece in a new joint effort by the regulator and the trade group to make the rules known to the general public: radio spots and print advertising will also be used in the campaign.

Besides the shipment deadline, the educational program will also warn buyers to check on return policies before ordering by mail, and to keep good records of their orders.

The shipment and return record of one big seller of electronics and other items, by mail—JS&A Group—was the subject of September hearings before a subcommittee of the House Commerce Committee. JS&A has been fighting FTC charges with a wide-ranging advertising campaign complaining that the commission is harassing the firm. But subcommittee investigators seemed to confirm that the company had problems.

The Justice Dept. claims that when one batch of 50,000 orders was monitored, 44 percent involved late shipments. "The facts appear to indicate that a whole lot of people called your company and sent you money and had to wait and wait and wait," Rep. Albert Gore, Jr. (D-TN) told JS&A owner Joseph Sugarman.

The Congressional interest in the case was generated by Sugarman himself, who urged a letter-writing campaign that produced some 2,000 requests for the subcommittee to look into the case.

But the tone of the session indicates that the FTC—under fire on Capitol Hill for so many of its undertakings—has a politically popular issue in going after mail order merchants.

**SHORT TAKES:** At the request of Wear-Ever, the International Trade Commission is investigating imports of hot air corn poppers. Originally, five importers were named in the investigation, which centers on poppers made by Yamada Electric Industries of Tokyo and Chiap Hua of Hong Kong which allegedly infringe on Wear-Ever patents. But to that or-

iginal list of West Bend, Sunbeam, Maxim Associates, K mart, and Stop & Shop, General Electric has been added at its own request. GE says it sold the Yamada poppers to both K mart and Stop & Shop....

Onkyo USA has promised not to try to fix the prices at which the audio components it brings in from its Japanese parent are advertised or sold at retail. Under the terms of a consent agreement, for two years the firm will not be able to even suggest list prices on its turntables, speakers, amplifiers, or tape decks; after that period, it can go back to suggesting retail prices as long as it is clear that the figures are merely suggestions....

Developer Ernest Hahn, Inc. has beaten back further attempts by Hugh Coddling to block his construction of a regional shopping center in Santa Rosa, CA. Coddling, who lost out on the job to Hahn, had been backing various citizen challenges to the project, but federal courts have now ruled that his newest suits raise no new arguments, and so must be thrown out of court....

The FTC has expanded its attack on electric shavers aimed specifically at the black market. In September, the commission formally accepted a consent decree it had earlier worked out with Sperry Corp. limiting the claims it could make on its shavers, and at the same time the agency brought similar charges against North American Philips and tentatively accepted a similar settlement. The company has promised to no longer claim that its Black Pro razor will make razor bumps go away. •

# Better

...pennants and buttons, re player appearances, game s, p-o-p displays, dealer promo-mailings, and strong network ot radio campaigns.

MERCHANDISING

©1981 Fuji Photo Film U.S.A., Inc., Magnetic Tape Division, 350 Fifth Avenue, NY, NY 10118.



Sony Tick-Talk radio

apply and lightweight MDR-phones. Its suggested list is

CM-141 is a full-featured, cassette recorder. It features touch recording, tone auto shut-off and a built-in sensitivity switch. A marker puts a tone on the tape which can only be heard when a speed control increases. A speed control increases speed for quick review, or down for transcription. Suggested retail is \$129.95. Microcassette recorder, the features a unique pistol grip. A thick unit has one-touch locking pause, two-speed and built-in mike. An is included for private. The battery, in the pistol, works up to 17 hours of recording. Suggested list

Consumer Products Co., Sony America, 9 W. 57th St., M, NY 10019.

## L96 speaker s new woofer

BRIDGE, CA — The L96 system from James B. and, Inc. is a three-way which the company claims accuracy, dynamic range characteristics of the L150A models in a sized bookshelf configura-

speaker incorporates the frequency and midrange as the other two models, pped with a new 10-in. able of high power d extremely low distort-

y constructed, nonreso- re of the L96 is built to ximum strength and o vibration. Cut from pressed wood, the panels d in American black s brown grille is an ransparent stretch mate- r measures 23 1/2 in. y 11 1/2 in. deep. nsing Sound, Inc., 8500 , M, Northridge, CA



Speaker system

MERCHANDISING

## Magnavox shows two new portables

KNOXVILLE, TN—Two new high-end portable cassette recorders have been introduced by Magnavox.

Model 8803, the top-of-the-line among Magnavox's portable audio offerings, is a sophisticated stereo cassette recorder with the latest in hi-fi microelectronics.

Highlighting the 8803 is a metal-capable cassette deck featuring an Automatic Computer Search System (ACS). ACS uses a microprocessor that can be programmed to automatically advance or rewind the tape, and

begin playback at up to 19 different points on one side of the cassette.

Programming is possible during playback, or by randomly keying-in the selections in conjunction with the unit's electronic LCD tape counter.

Model 8803 has a suggested retail price of \$449.95.

Magnavox's 8703 stereo cassette recorder enables the consumer to enjoy all the hi-fi performance of model 8803, but with a little less sophistication and at a lower cost. Model 8703 is currently available, and has a suggested retail price of \$379.95.

Magnavox Consumer Electronics Co., Interstate 40 & Straw Plains Pike, P.O. Box 6950, M, Knoxville, TN 37914.

## Mattel intros tabletop Dungeons & Dragons

HAWTHORNE, CA—Mattel Electronics' Dungeons & Dragons computer labyrinth game uses sound effects such as death knells and victory salutes to determine game play. The game takes one or two warriors on a quest through a hidden maze to a treasure guarded by a computer-controlled dragon.

The computer also generates the labyrinths warriors must solve to discover the location of the treasure and the dragon. To win, a warrior must capture the treasure from the guarding dragon and return safely to his secret room.

The game also has a second skill level which can challenge the strategic playing skills of dedicated players with secret, magical doors.

The tabletop unit is now being shipped, and retails for \$55 to \$65.

Mattel Electronics, 5150 Rosecrans Ave., M, Hawthorne, CA 90250.



Mattel Dungeons & Dragons

## Philips headphone weighs under 2 oz.

STAMFORD, CT — The 6301 dynamic compact stereo headphone from Philips weighs less than two oz.

The unit possesses a frequency range of 20 to 20,000 Hz, impedance of 32 ohms and sensitivity of -97dB SPL at 1mW. It comes with 10 ft. of cable with a mini-plug and a quarter-in. phone plug adapter for connection to home stereo systems.

Philips, 77 Selleck St., M, Stamford, CT 06902.



Philips 6301 headphone

NOVEMBER, 1981

## Sharp calculator lets user name tune

PARAMUS—The eight-digit EL-827 calculator from Sharp allows users to name their own tunes. It stores eleven musical notes that can be played back at the touch of a button.

Besides its musical ability, the unit has an independently accessible three-key memory and APO (automatic power-off). It also has a one-touch percent key, a square root key and "Sensor Touch." The Memory Safe Guard protects the memory contents when the power supply is off.

The suggested retail price is \$19.95.

Sharp Electronics Corp., Consumer Calculator Div., 10 Keystone Pl., M, Paramus, NJ 07652.



Sharp EL-827



Toshiba advances the video disc player 19 1/2 feet.

To introduce a CED video-disc player the competition can't come close to, Toshiba has designed one that operates at a distance.

The new Toshiba VP100 with remote control. No CED player is simpler or more convenient to use. Or offers a consistently clearer sharper picture.

The VP100 plays any CED-type disc with unerring accuracy on a quartz-lock-drive turntable.

With the disc in place, the protective caddy slides out. And at the touch of a button, the show begins.

At the touch of another button, rapid access finds any portion of the disc at 180 times normal picture speed. Either forward or backward.

For shorter jumps, visual search

moves at 12 times normal picture speed. In forward or reverse. And the wired remote control performs any of these same functions.

The VP100 can even move along at twice normal speed, a visual search you won't find on any other player.

All of this is designed into the lightest and smallest CED player on the market today.

And besides leading the current wave of CED players, the VP100 also represents the wave of the future, with a special jack for adapting it to stereo once stereo software is available.

The new Toshiba VP100 is so far ahead of the competition that you'll measure the difference not in feet and inches. But in dollars and cents.

**TOSHIBA**  
Again, the first.

Toshiba America, Inc. 22 Tonawanda Rd. Wayne, NJ 07470

## peakers, or autos



asonic Model CQ-S791

en tuned to these frequen-  
operator will be provided  
commercial voice informa-  
aining to traffic and road  
directions, availability of  
rest stops and service  
and descriptions of local  
interest.

litate announcements on  
arrivals and parking  
and bus terminals, trade  
carriers will also be  
d.

reme Series line includes  
Q-S791, an auto-reverse  
ayer with pushbutton AM/  
radio. Housed in a  
chassis, the model offers  
at forward and rewind,  
reduction and HX head-  
nder, metal/Cr02/normal  
r, sendust alloy magnetic  
optimizer switch and  
se-quieting circuit.

ures include a pre-amp  
ce and fader controls,  
ss and treble controls,  
and adaptive FM front  
uted multi-stage AGC in  
and motor antenna relay

Q-S761 includes the same  
model CQ-S791, with the  
a W-cut hard permally  
CQ-S756 also includes  
atures, but is specially  
a black chassis for  
application.

Q-742 is another auto-  
ette player, featuring an  
reo radio with manual  
unit sports many of the  
features, and is equip-  
impulse noise-quieting  
standing sonics, balance  
atrols.

Q-S737 is very similar to  
is housed in a compact,  
instead of silver. Model  
nds out the line of  
assette players and has  
features of the other

S686, a "repeattrack"  
r with pushbutton AM/  
lio, plays back the cas-  
just listened to after re-  
king FF/REW keeps a  
free. Model CQ-S661,  
ack cassette player, is  
a radio monitor, which  
senger to listen to the  
ape playback without  
at the cassette tape.

S646 is similar to  
has a radio monitor  
ows for radio listening  
yback by depressing a  
button. When the  
ed, the unit returns to  
The unit is specially  
ported cars.

de Panasonic car audio  
designed to fit most  
nestic vehicles.

ne Panasonic Way, M.  
7094.

MERCHANDISING

## Whistler debuts radar detector

WESTFORD, MA—Whistler has introduced a double superheterodyne radar detector in a remote unit. The Q1000R features an underdash hide-away control console and a remote receiver which fits behind a vehicle's grille.

The control console is smaller than a cigarette pack and the flat receiver fits in a 3½-in. space between the grille and the radiator. The model's sensitivity is 100 times greater than conventional speed radar detectors, Whistler said. It detects all police radars currently in use, including both X and K bands.

This sensitivity means earliest possible detection well beyond line-of-sight range, Whistler continued, even around curves and over hills. The unit is also claimed to be able to detect low-power continuous wave radar signals and pulsed radar even when it is aimed at another vehicle.

A "quiet" position is provided for



Whistler Q1000 remote

urban or congested areas where numerous microwave intrusion alarms, door openers and motion detectors are operating on the X-band frequency. The suggested retail price is \$349.95.

Whistler, c/o Controlonics Corp., 5 Lyberty Way, M. Westford, MA 01886.

## Real estate computer makes 20 calculations

DALLAS—Model REC-20 is a pre-programmed calculator for real estate.

It automatically makes 20 of the most-often-needed computations. These include payments for any type, interest or term of loans; prorations; closing costs; days between dates and income requirements for loans.

The wholesale price of the REC-20 computer is \$195. A Pcl00C printer is \$100 and a REC-20 module is \$20.

Regal Americana Marketing Co., 2725 Valley View #102, M. Dallas, TX 75234.



REC-20 computer

## Commodore announces VIC graphic printer

KING OF PRUSSIA, PA—Commodore Business Machines has announced the availability of a printer for its personal computer, the VIC 20.

The VIC 1515 can print any of the alphabetic, numeric and graphic symbols common to the VIC 20. It is a dot matrix printer with a speed of 30 characters per second, and is available for \$395.

The VIC 1515 allows the VIC 20 user to create copy on paper for forms, program listings, mailing labels, charts, graphs and more.

Special enhancements also allow the VIC 1515 to print extra-wide and reversed (negative) characters.

Commodore Business Machines, Inc., Computer Systems Div., 681 Moore Rd., M. King of Prussia, PA, 19406.

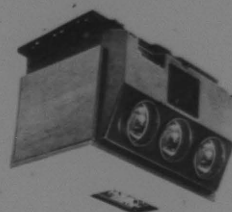
## Kloss offers ceiling mount projection TV

CAMBRIDGE, MA—A ceiling mount projection TV and a 10-ft. flat-screen projection system are now available from Kloss Video.

The three-tube Novabeam ceiling mount unit consists of a compact receiver/projector, a 78-in. diagonal screen and a remote. The suggested list price of the projector is \$3,600 without installation.

The 10-ft. Novabeam system features a receiver projector that projects a 10-ft. picture on any flat screen. The system is available in a floor version for \$3,350 without the screen and the ceiling mount version has a suggested retail of \$3,750, also without the screen.

Kloss Video Corp., 145 Sidney St., M. Cambridge, MA 02139.



Kloss ceiling mount TV



## TDK leads the way.

TDK's sales formula is a runaway success. It consists of one of the most rapid turnovers you'll ever see. Up to eleven times a year. Which adds up to maximum dollars.

Your TDK customers come in pre-sold. Concurrent advertising campaigns and promotions make sure of that. From mass market campaigns on national television to targeted bull. From breakthrough videotape advertising to outstanding corporate image ads. Your customers know that whether they're asking for a cassette in the Premium Series, the Reference Series, a new open reel or videocassette—TDK puts them in another league. In fact, TDK has earned so many honors in every tape category, it's outdistanced many of the top contenders for #1 position.

TDK offers you the kind of leadership which leaves out no details. In technology or marketing. You'll see it operate in over 100 quality audio and video products and accessories. You'll see it work in your store.

Is there an easy formula for success? TDK thinks so. Margin + Promotion + Advertising x Turnover (up to 11 times) equals maximum Dollars. But even that formula won't put you in the running. Unless it's TDK.

**TDK**  
TDK LEADS THE WAY.

© Copyright 1981 TDK Electronics Corp.



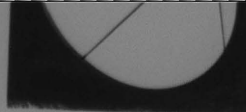


KLH system 1301

52

The Skyview IV system includes a D-2X receiver, 120-degree LNA, RF modulator, required cable and the Skyview IV antenna. The suggested list price is \$4,595.

Downlink, Inc., 30 Park St., M., Putnam, CT 06260.



Downlink Skyview Antenna

two-step eject button. When the button is released, the unit returns to the tape mode. The unit is specially designed for imported cars.

The compatible Panasonic car audio speaker line is designed to fit most foreign and domestic vehicles.

Panasonic, One Panasonic Way, M., Secaucus, NJ 07094.

MERCHANDISING

## PRODUCT PICTURE/ELECTRONICS

### Philco offers projection TV

KNOXVILLE, TN—Philco has joined the ranks of projection TV suppliers with the VidiScreen, a 50-in. rear-screen set. In addition, the fall line includes three 19-in. and four 25-in. color televisions, four VCR's, a color camera and a new audio line.

The VidiScreen features Computer Command tuning for 105-channel tuning and 35-channel cable capability. It also has an infrared remote control and a stereo speaker system with two eight-in. woofers and two three-in. tweeters.

The cabinet is constructed of simulated wood grain chestnut laminate with brown accents, and includes a shelf which will hold a VCR, videodisc or videogame system.

The projection TV lists for \$3,495. Rounding out the color television line are three 19-in. sets, which are highlighted by a contemporary TV with one-knob electronic tuning. It features auto-lock channel tuning and a black matrix in-line picture tube. The price range of the sets is from \$490 to \$500.

The highlight of the 25-in. line is a set which features a 16-button infrared remote, 105-channel tuning with 35-channel cable capability and two speakers. The price range is from \$666 to \$930.

The VCR line includes a redesigned leader model with soft-touch electronic controls, a digital clock with 24-hour timer and a wired remote pause control. The top-of-the-line unit is similar with additional features including 14-day/eight-event pro-

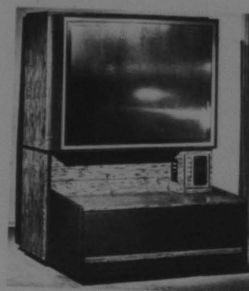
grammability, electronic tuner with 105-channel capability and a wired remote for still, channel change and scan. Optional is an eight-function infrared remote.

The new portable is a three-speed unit with soft-touch electronic controls, video scan at nine times normal speed, frame-by-frame advance and still mode. A wired remote with still, frame advance and scan is included.

The suggested price of the VCR's range from \$800 to \$1,349.

A new color camera with a side-mount electronic viewfinder is also in the line. It includes a telescopic microphone, f1.6 power zoom lens with macro feature and automatic white balance and iris control. The price of the camera is \$995.

Two full-featured stereo cassette players have also been added to the Philco line, as well as a four-mode compact stereo system, a fully automatic



Philco VidiScreen TV

belt-drive record changer and two speaker systems. The prices for the audio products range from \$140 to \$340.

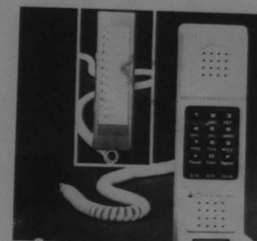
N.A.P. Consumer Electronics Corp., Int. 40 & Straw Plains Pike, M., Knoxville, TN 37914.

### Memory telephone added by Cobra

CHICAGO—Cobra Communications Product Group of Dynascan Corp. has announced the model MT-240 memory telephone.

The product line addition is a portable, plug-in phone with built-in automatic dialer. It has a storage capacity of 24 local numbers or 12 long distance numbers.

The phone features handset styling. It does not have to be hung on a wall, and plugs into any modular phone jack. A "hook switch" at the



Cobra MT-240

base of the handset disconnects the phone when placed on any flat surface. The MT-240 also has a "pause" key. The suggested price is \$79.97.

Cobra Communications, Product Group of Dynascan Corp., 6460 W. Cortland St., M., Chicago, IL 60635.

### U.S. Game introduces Super-Sports 4

SANTA CLARA, CA—U.S. Games' Super-Sports 4 is a handheld game of football, basketball, soccer or hockey.

Team "captains" can simultaneously control their players, as well as pass or score in any of three different directions. Players can also play against the computer.

Sound effects, two levels of play, an LED display clock and a scoreboard are included.

U.S. Games Corp., 2908 Corvin Dr.,

M. Santa Clara, CA 95051.



Super-Sports 4

**NEW!** from  
The MAGIC of  
**BEAMSCOPE®**

**Introducing Our Giant 41" Large Screen Viewing System**

BEAMSCOPE® continues to lead the way in affordable quality, large screen viewing with our newest giant — the TS-41! Designed for 21", 23", and 25" console TV's. The same great features as our other popular models, too:

- Exceptional color clarity
- Installs without tools
- Use under normal lighting
- Minimum floor space needed

But probably the best thing about the quality TS-41 is its price: suggested retail \$219.00!

#### Video Dealer benefits

High profit — low ticket item  
Co-Op AD program with P.O.P.  
material and Rep support  
Low inventory requirement  
Minimum display requirements  
Easy sale-thru volume sales

For a "Seeing is Believing" demonstration call or write:

**INTERNATIONAL MARKETING SERVICES**  
710 Redmac Street  
Port Richey, Florida 33568  
(813) 842-3231

**THIS CHRISTMAS - DON'T GET CAUGHT WITHOUT IT!**

Shown below is a size comparison from regular screen to size with BEAMSCOPE®

TV size (diagonal)	Screen size (diagonal)	BEAMSCOPE® Model No.	New TV Size (diagonal)	New Screen Size (diagonal)	Percentage of increase
13	10.1	TS-21	21	12.8	488%
15	11.8	TS-23	23	13.8	343%
17	13.5	TS-25	25	15.8	264%
19	15.2	TS-27	27	17.8	242%
21	16.9	TS-29	29	19.8	242%
23	18.6	TS-31	31	21.8	272%
25	20.3	TS-33	33	23.8	280%
27	22.0	TS-35	35	25.8	267%



TS-25 TS-30

## MERCHANDISING AD MART

**Gives your classified ad more exposure and immediate response**

Published each month, MERCHANDISING reaches over 59,000 retailers, wholesalers & suppliers of major appliances, home/auto electronics and housewares nationwide. Many of our readers are actively seeking:

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EMPLOYEES FOR THEIR COMPANIES  
NEW LINES  
and  
REPRESENTATIVES**

For just pennies per contact your classified ad in the MARKETPLACE will generate interest and activity from a highly responsive audience.

For more information on how MERCHANDISING's AD MART will work for you, contact:

### MERCHANDISING AD MART

Classified Ad Manager  
1515 Broadway, New York, N.Y. 10036

## PRODUCT PICTURE/ELECTRONICS

### Wrist Bowling and Slimline Speedway intro'd by Tomy

CARSON, CA—"Wrist Bowling," from Tomy, is a wrist watch, stopwatch, alarm and bowling game in one. The desired function can be selected by pressing a button on the side of the watch.

"Slimline Speedway" is compact enough to fit into a pocket. There are five racing games to choose from and the player's skill can be sharpened by racing the computer-operated jam car.

Approximate retail costs for "Wrist Bowling" and "Slimline Speedway" are \$45 and \$40 respectively.

Tomy Corp., 901 E. 233 St., M. Carson, CA 90745.



Tomytronic Wrist Bowling

### Sharp introduces cable-ready VCR

PARAMUS, NJ—Two VCR's, both front-loading units, and a new color camera are now available from Sharp Electronics.

Model VC-8500 has 105 channels, is cable ready and features two- and six-hour recording capabilities. The unit also boasts a high-speed search system which scans at 10 times normal speed, as well as still frame/stop action, automatic rewind, 12-position electronic tuning and a one week/one-event timer.

A wired remote with video search and pause is included, as are a four-digit tape counter and AM/FM LED channel display. The system carries a suggested list price of \$959.95.



Sharp VCR Model VC-8500

The second VCR, model VC-8400, is a basic unit with two- and six-hour recording, one week/one-event programmable timer and a 12-position VHF/UHF electronic tuner. The suggested list is \$849.95.

Model QC-40, a camera with automatic focus control, macro focus and a 11.4, 6:1 zoom lens, is also being shipped. It features auto white balance, a 10-pin camera connector and auto iris. The camera has a suggested list price of \$1,099.95.

Sharp Electronics Corp., 10 Keystone Pl., M. Paramus, NJ 07652

## The First Family Of FUZZBUSTER Radar Detectors... WELL BRED.

### Fuzzbuster Elite

A solid, dependable unit, the Elite outperforms any other radar detector in its category. Picks up all bands, and all types of radar. Housed in a handsome black case with chrome trim, the Elite looks so distinguished we call it, "The Chairman of the Dashboard."



Fuzzbuster III

If you need the protection of a good, reliable radar detector with economy in mind, the Fuzzbuster III is the answer. This tough, alert unit picks up all types of radar but it's priced so anyone can easily afford it. Looks just as good as it performs.



**Fuzzbuster Remote**  
Gives all the protection you need but the unit's completely out of sight... behind the grill and under the dash! A snap to install (takes just minutes) and operate, the Fuzzbuster Remote is wireless. Picks up all bands, and all types of radar.



Fuzzbuster Superhet

It's here...the result of years of engineering experience and advanced technology make the Fuzzbuster Superhet the ultimate radar detector for anyone who drives. But even with all the advanced features the Fuzzbuster Superhet is realistically priced. Detects ALL type of radar at greater distances, over hills and around curves, and is virtually immune to false signals.

**electrolert, inc.**

4949 SOUTH 25A • TROY, OHIO 45373

Sale or use of this product may be considered illegal in Michigan or Virginia

### Sansui bows new self-setting EQ

LYNDHURST, NJ—Sansui is introducing a stereo graphic equalizer unit with motorized faders that set themselves to remembered positions.

The SE-9 microprocessor-controlled octave band unit has a motor assembly that positions each fader using a varying DC voltage comparator circuit, adjusting all 16 controls in 30 seconds to any of four memory curves that can be factory-preset or set by the user.

The device also features a gas-discharge spectrum analyzer display switchable to each channel, eliminating the need for an outboard frequency analysis component. The display is calibrated in 3dB increments over a 24dB range.

Switchable two-way dubbing and two-deck monitoring switches, output level, mode and equalizer defeat switches and an external condenser microphone are also included.

Suggested list for the model SE9S (brushed metal finish) or SE9B (matte black finish) is \$700.

Sansui Electronics Corp., 1250 Valley Brook Ave., M. Lyndhurst, NJ 07071.

### Four color television sets join Quasar's line

FRANKLIN PARK, IL—Two 25-in. consoles, a 25-in. table set and a 15-in. table model have been added to Quasar's fall line of video products.

The two consoles, model WU9414-TS and model WU9418TP, both carry suggested list prices of \$669.95. The first is early American style in plank maple grain. The latter is a Mediterranean model in rich pecan grain. Both sets have the Dynacolor system with light sensor Dynabrite III 100° picture tube and Custom-Matic tuning.

The 25-in. table television, model TT9900TW, is contemporarily styled with a 16-function remote and 105-channel tuning. The dimensions of the set are 19-7/8-in. high, 29-in. wide and 17-3/4-in. deep. It has a suggested list price of \$774.95.

The 15-in. model WT4256TW features a 75-ohm connector for attaching VCR's and other products and electronic tuning. It carries a suggested retail price of \$414.95.

Quasar Co., 9401 W. Grand Ave., M. Franklin Park, IL 60131

MERCHANDISING

## NEWSFEATURES

# Pacific Stereo adds electronics furniture, sees chance to push systems up to \$16,000

By Barbara Smith, field editor  
EMERYVILLE, CA—Pacific Stereo is going into the furniture business in a big way, a move that should provide double-barrelled benefits for both the 89-store chain and its customers.

For the store, the new venture offers high gross margins on a relatively limited number of sku's. And there's the opportunity to make high-ticket sales on complete systems ranging up to \$16,000.

The customers, on the other hand, find good quality, well-designed furniture made to hold electronic components. They can buy the furniture at the same time they purchase their audio and video gear. And they also get delivery and installation.

Christened Project Envirotech, the Pacific Stereo furniture section was first tested in March at the firm's Santa Monica, CA, store. More are set for completion this fall.

### Pushes quality furniture

Up until now, most electronics furniture has tended to "make someone's room look like a recording studio," said Allen Selby, marketing vice president for CBS Specialty Stores, which owns Pacific Stereo. "The furniture that existed for our business had been the vinyl walnut rack."

"Now, at least, we're getting glass doors, casters and units that are wider or taller than before," added the mastermind behind Project Envirotech. "In my opinion, the mass market for furniture is more traditional than contemporary."

As a result, Selby is working with his suppliers—currently American of Martinsville and Barzilai—to bring his customers furniture that fits in with the other pieces in their homes.

Pacific Stereo sees Project Envirotech as an edge over both furniture stores, which have less comprehensive selections of audio equipment, and other audio chains. And Selby pointed out he's not afraid of competition. With installation costs estimated at \$30,000 per store, he



\$16,000 UNITS, as well as those ranging down to \$500, are displayed in separate rooms that mingle furniture with audio and video equipment at Pacific Stereo.

doubts other specialty stores will rush to set up a rivalry.

"To do what we're doing is a relatively expensive move, and not every retailer is going to be able to do it," he predicted. "Just putting furniture on the floor without creating an environment for it is the wrong way to go about it."

The pilot project was launched at the Santa Monica outlet because it was in line for reconstruction and located in a high-income area. A separate room was created at the back of the sales floor to showcase furniture groupings accessorized with audio and video equipment.

Similar rooms are in the works for flagship stores in San Francisco, Dallas, Chicago, San Diego and Seattle, to be completed this fall. Then, Selby explained, one or two of the fastest-turning pieces will be shown in all A stores—30 percent of

the chain. Eventually, Pacific Stereo expects to have at least one piece of furniture in all its B stores as well.

Promotional literature is being used to supplement the merchandise in stores that offer only a few pieces of furniture. This includes large photos, home design system brochures with suggested floorplans, manufacturers' pamphlets and p-o-p displays. Interested customers will be directed to the flagship store in their area, where they can view a complete display.

### Response is positive

"Even without promotion, the Santa Monica installation's sales have been quite good. We've had a very positive consumer response," Selby reported. "We get a lot of people looking at the furniture and discovering what they can do with all the equipment they've already bought."

Selby credits Barzilai with the

concept that led to Project Envirotech. The furniture manufacturer approached Pacific Stereo with a proposal to design wall systems exclusively for the chain's use. Selby then came up with the idea for the separate showrooms. In-house designer Jeff Leong worked out the final plan.

American of Martinsville was also brought in to provide the traditional styles Selby believes his customers want.

Although a recent tour of the San Francisco Furniture Market impressed him with the growing selection and improving prices of electronics furniture, he said he hopes to keep his offerings streamlined.

"I'm always keeping in mind that ending inventory is pertinent and open-to-buy is critical," Selby noted. "Sku's are important in the equation. We'd like to find a combination with a maximum of 10 sku's—five if possible."

"I'd be very delighted to have six turns on this product, but most of my items are in-stock, and I might be able to get 12 and 15 turns," he added.

Pricing is designed to provide the customer with a chance to start purchasing at relatively inexpensive levels and work his way up to a complete system. Ads will present a total configuration of equipment and furniture at one price. But a second message will point out that the units are available individually.

"We're looking at packaging the electronic systems with furniture for \$500 on up," Selby remarked. "In the Santa Monica store, we have \$16,000 as a top end. But the customer can get started for \$600 or \$700."

At these prices, Pacific Stereo expects to become more service-oriented than in the past, with delivery and installation a necessity.

"You can't just load one of these wall units in the back of a VW," Selby pointed out. "We'd like to get people into the habit of coming here for this; we want to deliver, install, set everything up and make it a happy experience. This will definitely be a change for us, but it's manageable. Today, with the complexity of audiovisual equipment, service is the most important value we can offer anyone."

The second stage of Project Envirotech, filtering it down to all A stores in the chain, "looks probable" by the first quarter of 1982, Selby said. Meanwhile, he is tinkering with a merchandising strategy, and preparing an advertising campaign.

"Our commitment will be directly proportional to sales," he ventured. "We're going to do a lot of things—direct mail, eight-page inserts, regular lineage and point-of-purchase advertising. We're going to commit ourselves fully, both in the store and in the media."

Selby added that direct mail targets will be customers who have already bought substantially at Pacific Stereo. A trial effort in this direction brought "tremendous interest" at the Santa Monica store. He also acknowledged that Project Envirotech may provide a productive avenue for approaching female customers.

"We have never intentionally tried to ignore them," he said, "but by design this equipment has always involved some unnecessarily technical hype. We want to get away from that a little; the business that we're in is selling music and home entertainment."

## Multiple TRS-80 II's link into larger systems

NEW YORK—Multiple TRS-80 Model II microcomputers can be linked into large-scale systems starting in the second quarter of 1982, Radio Shack has announced.

The local network will allow the computers to access common data bases, such as accounting, word processing information or electronic filing systems, and share the use of peripherals throughout the computer network.

To provide this common resource networking, Tandy Corp. will use

Datapoint ARCNET (Attached Resource Computer Network) software. An interface card installs into existing card slots in the rear of the computer. It will sell for about \$400.

The other necessary elements are common RG-62 coaxial cable and a junction box. Thirty feet of cable with connectors will retail for about \$30. A junction box for up to four processors will cost less than \$200, or an active junction box for larger systems will cost about \$2,000.

"Obviously, the size and power of

the TRS-80 system has taken a quantum leap forward," Tandy Corp. president and chief executive officer John Roach commented during a joint press conference with Datapoint.

Since multiple built-in floppy disks may not be needed, a version of Model II without a disk will be available.

## Acme National Sales adds four rep firms

ASTORIA, NY—Acme National Sales Co., Inc., which manufactures unit kitchens, compact refrigerators and icemakers, has expanded its activities with the addition of four new representative firms.

Covering Alabama, Tennessee, Arkansas and Mississippi is Orville Youngblood of Germantown, TN. Missouri, Kansas and Oklahoma are handled by the Bill Savage Co., Afton, OK. Stackhouse Associates of Tucson covers Arizona and D&D Associates of Louisville handles Indiana and Kentucky.

## Platt takes over Breuners appliances, electronics

TORRANCE, CA—Platt Music Corp. will take over the operation of the major appliance, video, audio and consumer electronics departments at 15 Breuners home furnishings stores in northern and central California and Nevada. According to Herman Platt, president and chief executive officer, the move was to be effective Nov. 1. Platt Music's departments in

Breuners will have a separate buying and supervisory staff as soon as the proper people can be put into place, announced Platt.

Breuners, a subsidiary of Marshall Field & Co., is a 125-year-old chain of home furnishings stores. It is expected that the volume from these stores will strengthen Platt Music's position in the California market substantially.



TDK Electronics has broken ground for its new headquarters in Port Washington, NY. Construction is expected to be completed in the spring.

## INDEXING

# **Merchandising**

A GRALLA PUBLICATION

DECEMBER 1981

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

**MERCHANDISING's  
Anniversary**

**April!**

ute to the hard  
try — tell readers  
progress and  
"must" ad buy  
ay to

## **OPTIMISM MARKS '82**

Looking Ahead To Next Year, a number of retailers interviewed by Merchandising are predicting sales gains of up to 30 percent in electronics and 10 to 20 percent in major appliances and housewares.

**RETAILERS URGE GOVERNMENT  
TO SUSPEND USURY CEILINGS**

## **Consumer Credit Hits A Crossroad**

## **RETAILERS PROFIT WHEN PEERS TEAR APART THEIR BUSINESS ADVICE DOUBLES DEALER'S SALES**



GREEN BAY, WI—A \$25,000 savings in insurance. A 10 percent increase in gross margins. A \$10,000 to \$12,000 reduction in annual delivery costs. These are but a few of the benefits 11 major appliance and audio/video dealers credit to their membership in a Midwest-based critique group founded approximately 15 years ago. By sharing, members have boosted profits in ways they never thought possible.

Ad Arena spotlights General Electronics:

### **FREE TELEPHONES**

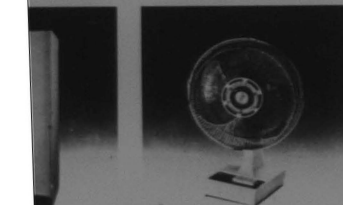
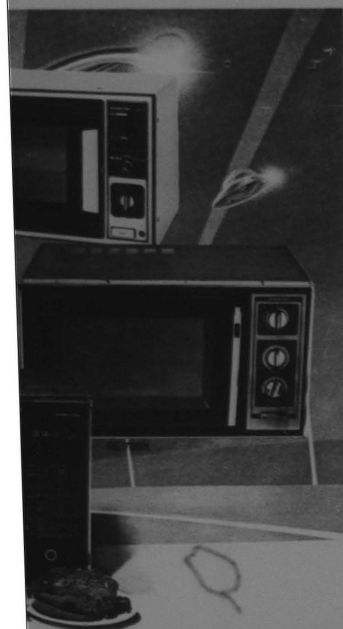
**SPUR ELECTRONICS PURCHASES**

Store runs a 24-hour Video Hotline to help generate consumer awareness.

**ITA Seminar tackles rental  
of videotapes, Sony decision**

**SNEAK PREVIEW: CES, NHMA, HOME BUILDERS SHOWS**

## HOME APPLIANCES



**SF-1200**  
12" Desk and Wall  
Mounting Fan  
• 3 step speed control  
• 100° oscillation  
• UL CAS listed

**CANTEC**  
Røstergade 26-9400 Aabybro, Denmark.  
Tel. 06-24244,  
K. 69819 SCAN DK  
**ENTRUM RADIO AB**  
Linnarss väg 28 16185 BROMMA,  
Tel. 06-98 75 90  
Distributors:  
**B.C. Italiana S.P.A.**  
Via Matteotti 66 20092 Cinisello Balsamo  
(Milano) Italia  
Tel. 02-89 391-61, 81, 801, Telex 330028 GBCMIL

## PRODUCT PICTURE/ELECTRONICS

### Stack Look stereo system added to Emerson Radio line

SECAUCUS, NJ—A variety of cassette and eight-track recorder combinations have been introduced by Emerson Radio Corp. The line includes a "stack look" stereo system, two bookshelf systems, an electronic digital clock/tape recorder and two portable cassette recorders.

Emerson's latest entry in its Stack Look series, the model MC1400, combines a cassette deck, eight-track player, AM/FM stereo receiver and recessed turntable in one unit. A pair of matched modular System III speakers completes the package. Suggested retail price for the unit is \$299.95.

Model MM1000 has been added to the Bookshelf Series of space-saver systems. The play/record cassette stereo system with stereo FM/AM radio has touch controls and full function digital clock. It also features separate bass and treble controls, FM stereo indicator/tuning meter, LED tape counter, pause control and auto stop. Suggested retail price for the MM1000 is \$339.95.

The MM866 is a member of the Space Saver bookshelf series. The unit incorporates an AM/FM stereo receiver, stereo cassette player and recorder, stereo eight-track player and digital LED clock. Matched modular speakers complete the system which sells for \$299.95.

Electronic digital clock radio, the RCT5880, can play either cassette or

eight-track tapes. The cassette section has one button control for play, fast forward or eject and has an auto stop system. The eight-track section has an LED program indicator and allows either automatic or manual program selection. The system retails for \$129.95.

The portable CTR939 stereo FM/AM twin cassette allows the user to play prerecorded cassettes or make cassette recordings from prerecorded cassettes, FM stereo or AM broadcasts, or from live music using either its twin built-in condenser mics or optional external mics. An automatic level control, record monitor switch, auto stop and LED tape-to-tape record indicator are also featured. Suggested



MC1400 Stack Look system

retail price is \$199.95.

Also available is the CRC90 which offers six piano key pushbuttons to control record, play, rewind, fast forward, stop and eject modes in a slim-line unit. Suggested retail price for the unit is \$39.95.

Emerson Radio Corp., One Emerson Lane, M. Secaucus, NJ 07094.

### Orovox expands XL series

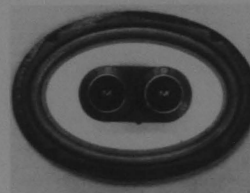
SUN VALLEY, CA—Orovox Sound, has added a three-way speaker system to its XL series rear deck auto sound line. The system consists of a six by nine in. low frequency section with center-mounted two-in. mid-range and piezoelectric tweeter.

The speaker system is designed for rear deck mounting, using the car

The piezoelectric tweeter, operating from just below five kHz, becomes more efficient as frequency rises, Orovox said. The tweeter's characteristics preclude the need for a crossover network, thus eliminating loss of transient response in the upper registers.

The three-way system is covered by a limited lifetime warranty. Power handling capacity is 45 watts with an impedance of four to eight ohms.

Orovox Sound, 11545 Tuxford St., M. Sun Valley, CA.



Orovox car speaker

trunk as an enclosure to optimize bass performance.

The low-frequency section features a zamak die cast non-magnetic structure, a one-in. aluminum voice coil and fiber silicone-impregnated cone driven by a 20-oz. hyflux ferrite magnet.

### Mattel adds Boxing, PBA Bowling games

HAWTHORNE, CA—Boxing and PBA Bowling have been added to the Mattel Intellivision collection.

The Boxing cartridge, now reaching stores, is designed for two-player competition. Its four skill levels range from training camp (slowest speed) to championship (fastest speed).

Each player selects a boxer from a stable of six fighters, all with different boxing styles. Players then choose punches from 12 available options while maneuvering their fighters through 15 rounds of boxing.

The fighter who accumulates the most points, or scores a knockout, is the winner.

Also available now, the PBA Bowling cartridge simulates regulation 10-frame bowling or "pick-up spares," which is a series of practice rounds with tough set-ups.

One to four players can determine when to lift, aim and release the ball, and what type of curve to use.

Mattel Electronics, 5150 Rosecrans Ave., M. Hawthorne, CA 90250.

### Interaudio intros Alpha speaker line

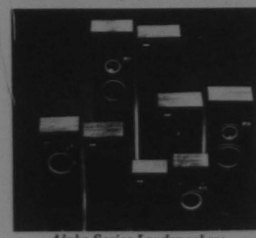
FRAMINGHAM, MA—The Interaudio Alpha Series is headed by the Alpha Four, a 44-in. tall, three-way tower system incorporating a 10-in. woofer, six half-in. midrange driver and two three in. tweeters.

Other models in the Interaudio line include the Alpha Three, a three-way floor-standing system with ported 10-in. woofer; the Alpha Two, a two-way, 10-in. ported bookshelf system; and the Alpha One, a two-way, eight-in. ported bookshelf system.

Alpha Series tweeters are mounted in a proprietary OmniVector lens assembly for improved high-frequency dispersion. All models feature Syncom II computerized control plus automatic tweeter protection circuitry, according to Interaudio Systems.

Alpha speakers are designed for maximum peak power ratings of 150 to 400 watts. They carry suggested list prices in the \$300 to \$900/pair range.

Interaudio Systems, 100 Mountain Rd., M. Framingham, MA 01701.



Alpha Series Loudspeakers

### Sparkomatic intros car stereo products

MILFORD, PA—Sparkomatic Corp. has introduced a car stereo unit, graphic equalizer booster, compact power booster and dash-mount stereo speakers.

Model SR-306, a digital cassette AM/FM stereo that is capable of delivering 45 watts of audio power, features an LED digital frequency readout, rotary controls for volume, tuning and tone adjustments. The model also sports left and right balance with front-rear fader controls which makes it possible for a four speaker system to be equalized for perfect balance, Sparkomatic stated.

Other stereo features include a local/distance switch and mono/stereo switch. Cassette controls include locking fast forward and eject switch.

Graphic equalizer booster, model LC-102, is a three-band, 40-watt compact unit capable of boosting car stereo power output up to 40 watts. The unit provides separate bass, mid-frequency and treble controls for tone flexibility.

A compact power booster has also been introduced. Model LC-52 is powerful enough to convert any car stereo or radio to a high power, high fidelity system, according to Sparkomatic. Yet, it is compact enough to fit import, X-body and other compact and sub-compact cars.

The SK-300 dash mount dual cone stereo speaker set is engineered with a combination woofer and specially designed woofer cone to deliver sound over the full audio range. The speakers can handle up to 40 watts of power and are compatible with four to eight ohm tape decks and radios.

Sparkomatic Corp., M. Milford, PA 18337.

### Samsung's '82 line has 12-in. color set

OAK BROOK, IL—Three color television receivers and three black-and-white models have been introduced for 1982 by Samsung Electronics America.

The company's portable television line includes the only 12-in. color receivers offered in the United States, Samsung reported. Model CT-315TM is a 12-in. solid state receiver with automatic fine tuning, automatic color and tint control and instant picture. Available in ivory, the set has a suggested retail of \$309.95.

Included in the line is a 13-in. remote control receiver, model CT-331AZ, with electronic touch tuning, lighted channel indicator and infrared wireless remote control which turns the set on and off, changes VHF and UHF channels and adjusts the sound level. The unit sells for \$484.95.

In the 19-in. series, CT-501AZ is the top-of-the-line with a suggested retail price of \$574.95. The unit is equipped with a multi-feature wireless remote control.

The company's black-and-white portable television series is comprised of three solid state 12-in. models. Each chassis is designed with inter-



Samsung model CT-315TM

grated circuits, and each set's picture tube has a quick-heat filament which uses no power when the set is turned off.

The line starts with model BT316-NR, with a suggested retail price of \$89.95. The step-up model is BT318-NR, with a recommended list of \$109.95 and at the top-of-the-line is model BT318TR, priced at \$119.95.

Samsung Electronics America, Inc., 2707 Butterfield Rd., Suite 270, M. Oak Brook, IL 60521.

### Video Accessories adds cabinet, bag

DARIEN, CT—Video Accessories, Ltd. has introduced a storage cabinet for videocassettes and a carrying bag for portable VCR's.

Model VID-101 Look-Safe video storage cabinet holds up to 22 Beta or VHS tapes and has storage space for accessories. The unit is a single drawer, made of walnut grain and has a key lock. The storage cabinet weighs 22 lbs. and carries a suggested list price of \$72.

The carrying bag, model VID 202, is designed for use with portable VCR's. It is made of polyurethane and is designed to hold the VCR and the tuner timer or the VCR and AC power battery charger. The unit also features heavy-duty riveted handles and an over-the-shoulder detachable strap. The carrying bag lists for \$70.

Video Accessories Ltd., 14 Sherry La. M. Darien, CT 06820.



## Kenwood unveils pre-packaged stereo system

CARSON, CA—Kenwood has introduced a pre-packaged stereo system, two speaker systems and three headphones which mark its entry into the stereo headphone market.

The R-11 is made up of matched Audio Purist components and speakers. The components are housed in a system cabinet of tempered glass with chrome trim, a glass door, roll-about casters and record storage compartments.

The system consists of model KA-900 integrated amplifier which delivers 80 watts per channel, model KT-900 AM/FM stereo tuner and direct-drive turntable model KD-670. It also includes metal-tape cassette deck model KX-900 which is equipped with two motors to ensure minimal wow and flutter, and a pair of 10-in. two-way speaker systems, model LS-1000. Total suggested retail price for the system (if components were purchased separately) is \$2,650.

Two speaker systems, models S-4 and S-2, are designed to complement



Kenwood R-11 system

such compact components as the Kenwood cassette-receivers. They fit easily on a shelf or a tabletop, said the supplier.

The speakers feature a rolled, free-

edge woofer that minimizes distortion. Model S-4 is a three-way system which can handle up to 80 watts and boasts a frequency response of 50 to 20,000 Hz. Model S-2 is a two-way system. Enclosures for both speakers are finished in silver vinyl and the units come with brackets for wall mounting. The pairs retail for \$260 and \$184, respectively.

Also, three ultra-light headphones are available. Models KH-3, KH-5 and KH-7 range in price from \$30 to \$80 at retail. The headphones are supra-aural types but are acoustically vented and designed to create a sound pressure pattern like that found in the auditory canal of the human ear, Kenwood said. All three models include snap-off foam ear cushions, with an extra pair provided.

Kenwood Electronics, Dept. P, 1315 E. Watsoncenter Rd., M, Carson, CA 90745.

## Casio calculator features boxing game

FAIRFIELD, NJ—Casio has introduced a hand-held calculator that has boxing game capability.

Nicknamed The Contender, the unit (model BG-15) retails at the suggested price of \$29.95.

It is a full-function calculator with a percent capability and a three-key independent memory. It also has a built-in clock and alarm.

In the game mode, the user makes his boxer jab, hook or throw combinations against the Contender. But if the Contender lands a lethal punch, the user's man falls to the canvas, knocked out.

The Contender memorizes every blow and forces new strategies. The highest score is recorded and held in the memory until another boxer can beat it.



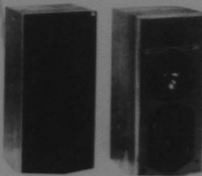
Casio Contender

Casio, Inc., 15 Gardner Rd., M, Fairfield, NJ 07006.

## KEF introduces two speaker systems

WASHINGTON, DC—A floor-standing speaker system and a compact bookshelf speaker system have been introduced by KEF Electronics, Ltd.

Floor-standing speakers, model 204, features a bass-loading system which combines a mechanical-reflex enclosure with electrical response shaping using an auxiliary, passive radiator which extends low frequency bass response down to 45Hz. This combination makes it possible, claims the supplier, to maintain deep, authoritative bass while also minimizing distortion interference.



KEF 204 speakers

Model 203 is a precision two-way speaker system. Its compact design allows flexible placement in the listening room. And, it features computer analysis to optimize the relationships between drivers, crossover network and speaker enclosure.

Both systems can be driven by as

little as 15 watts, while maximum power handling capacity is 100 watts. The speakers are housed in wood-veneer cabinets with a brown grille cloth. Suggested retail for model 204 is \$1,100; for model 203, \$600.

KEF Electronics, Ltd., P.O. Box 17414, M, Washington, DC 20041.

## Zenith introduces cable converter

GLENVIEW, IL—Zenith has introduced a scrambling and decoding system for cable television.

The cable TV converter, Z-TAC, allows the viewer to tailor a customized selection of program categories to individual needs and tastes, according to Zenith.

In addition, the programming capability of the system allows cable operators to offer up to 20 categories of services with more than a million configurations.

Zenith Radio Corp., 100 Milwaukee Ave., M, Glenview, IL 60025.



Zenith Z-TAC cable converter

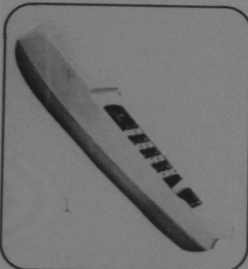
## U.S. Tron phones play tune on hold

BOHEMIA, NY—Melody on Hold is featured in seven Dialog telephones from U.S. Tron. The one-piece phones start at \$74.50, suggested retail.

Basic no-melody phones, starting at \$54.95, include last number redial, mute switch, on-off tone ringers and a speed dialing switch.

Also available for immediate delivery is a phone with 11-number automatic dialing. This system, the DJ-11, retails at \$79.95. The DJ-11H with Melody on Hold is \$89.95.

U.S. Tron, 125 Wilbur Pl., M, Bohemia, NY 11716.



Melody-on-Hold phone

## Casio micro-calculator for ladies has memory

FAIRFIELD, NJ—Casio has introduced the L-80, a ladies' micro-calculator with memory. About one-half the size of a credit card, the unit comes in three colors: peach, lavender and raspberry. It fits into a white leatherette pouch. The suggested retail price is \$19.95.

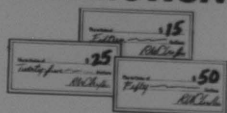
Casio Inc., Consumer Products and Timepiece Divisions, 15 Gardner Rd., M, Fairfield, NJ 07006.



Casio L-80

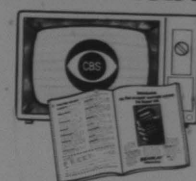
# BIGGER AND BETTER THAN EVER.

## PROMOTION



We're giving 1982 a terrific kick-off with rebates up to \$50 on Bearcat® Scanners. There will be across-the-board support from cooperative advertising to counter cards. STOP, LOOK & LISTEN is the kind of promotion that spells success to retailers.

## ADVERTISING



We've arranged the biggest first quarter schedule in our history. All three major television networks at the times scanner buyers watch. Radio from coast to coast with Paul Harvey. And magazine schedules designed to keep the Bearcat Scanner name number 1 with hobbyists and para-professionals.

## POINT OF PURCHASE



Window bannets, counter cards and even plexi-glass displays will help ring in record sales. Every piece is especially designed to create excitement and interest. Our plans for the first quarter are big and bold. We are the leader and that's the way we'll look.

## BEARCAT SCANNERS

Electronic Technical Company  
Division of Western Corp. of Indiana  
300 E. 10th Street, Suite 100  
Carmel, Indiana 46032

International Business Office  
Suite 102, 1400 East  
South Main Street, Milwaukee, WI 53212  
© 1981 Western Corp. of Indiana

## PRODUCT PICTURE/ELECTRONICS

### System amplifies personal stereos

WESTBURY, NY—Small personal portable stereo radios and cassette players can be used to deliver sound to more people using the Steppin' Out stereo amplifier/speaker system, according to Mura Corp.

The unit's one watt per channel amplifier drives two four-in. center dome speakers. Volume is controlled by the personal stereo player just as when using headphones. The system retails for under \$80 and operates from four C cell batteries stored in the rear of the unit.

To affix a personal stereo player to Mura's portable amplifier, the user



Mura's Steppin' Out

slips the player's belt clip over the system's attachment bar. The system's 10-in. cord is then plugged into both the player jack and the auxiliary input jack of the system.

Mura Corp., 177 Cantigue Rock Road, M. Westbury, NY 11590.

### DT-35 deck is powered with two motors

COMPTON, CA—The DT-35 is a three-head model cassette deck with two motors to power the transport.

The unit offers several features including Dolby B and Dolby C noise reduction, with a switch to effect one or the other. Feather-touch controls effect seven functions (record, record mute, pause, rewind, fast forward, play and stop) and feature a mode switch to give the deck instant selection and changeover facility.

The unit is metal capable and has a four-position tape selector switch. Suggested retail is \$490.

Mitsubishi Electric Sales America, 3030 E. Victoria St., M. Compton, CA 90221.



DT-35 cassette deck

### Criterion ladies' LCD has alarm, chronograph

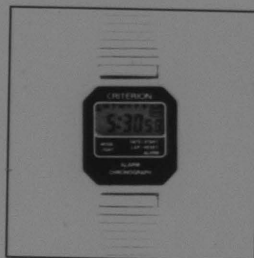
NEW YORK—A ladies' alarm chronograph sports petite, ultra-slim styling.

The LCD shows hour, minute, second, month, date and day of the week. It has a 24-hour memory alarm with 1/10 second chronograph and lap time.

Style 8192 is available in goldtone with brown dial or silvertone with blue dial. There is a matching, adjustable bracelet.

The suggested retail price is \$37.95.

Criterion Watch Co., 60-01 31st Ave., M. Woodside, NY 11377.



Criterion watch 8192

### Philco expands color TV line with 24 sets

BATAVIA, NY—Philco has redesigned its color television line to include cable-ready mid-band and super-band and micro-computer tuning systems. The line includes 24 new sets and consists of three 13-in., six 19-in. and 15 25-in. sets. In addition, a five-in. and nine-in. set have been added.

All of the 25-in. sets feature Color-Rite II automatic color control and 11 of the models have the push button Computer Command tuning system which enables the viewer to tune to 105 channels. The four consoles with Computer Command come in contemporary, American colonial, early American and Mediterranean

styles and have list prices ranging from \$740 to \$750. The three twin-speaker models also have a "deep dimension" sound system with a control switch in the back of the set. The contemporary model has a list price of \$830 and the Mediterranean set and early American sets list for \$820.

Four other 25-in. sets with Computer Command feature infrared remote control with a mute button to instantly reduce the volume to zero. Prices of these models range from \$840 to \$850. The four remaining 25-in. sets include a table model with two-knob tuning and a walnut-grain finish. It carries a list price of

\$600. The three consoles also have two knob-tuning and are available in a Mediterranean style pecan grain finish for \$630, an oak grain traditional model for \$650 and the early American set with maple-grain finish lists for \$630.

The six 19-in. contemporary-style models all have Computer Command tuning and can receive 105 channels. The walnut finished set has a \$490 list price and the white version with pecan accents lists for \$500. A walnut finish and white set both have infrared remote control and mute and carry list prices of \$570 and \$580 respectively. A fifth model with walnut-grain and front trim has a price tag of \$520 while the same set with infrared remote and mute lists for \$600.

Three new 13-in. sets have been added. One features Color-Rite II, Computer Command, infrared remote with mute and 105-channel capacity. It has a contemporary-style cabinet with walnut-grain finish and carries a suggested list price of \$460. Two other sets have two-knob tuning and automatic fine tuning. The almond color set lists for \$350 while the walnut-finished model lists for \$370.

The five-in. black and white set has a built-in AM/FM radio, continuous VHF/UHF tuning, a five-inch speaker, sunscreen and auto power cord. It can operate from car cord, nine "D" batteries, optional battery pack and AC current and carries a suggested list of \$180. The nine-in. set has a 2-3/4-in. speaker, sunscreen and 70-position click-stop UHF tuning. It operates from car power cord or optional battery pack and lists for \$130.

N.A.P. Consumer Electronics (Philco), Int. 40, Straw Plains Pike, M. Knoxville, TN 37914.

### RMS box connects TV peripherals

BRONX, NY—RMS Electronics has introduced a dual-purpose switch and a splice box for video equipment.

The switch, model TGS-2D, can be used with video games, television sets and home computers. When used with the computer, the switch converts the TV to function as a monitor or to receive TV programs.

A coaxial cable is pre-attached so the switch can be used with a 75-ohm TV and twin lead for 300-ohm TV. The switch can be mounted by its self-adhesive base or with screws to the back of the TV. It carries a suggested list price of \$6.99.

The 300-ohm splice box, model VSB-300, can be used to join two short pieces of 300-ohm twin lead together. Any combination of 300-ohm wires, flat twin lead, narrow or tubular wire can be used. The box, which measures 1-5/8 in. wide x 2-3/16 in. long and 7/8 in. high, carries a suggested list price of \$3.89.

RMS Electronics Inc., 50 Antin Pl. M. Bronx, NY 10462

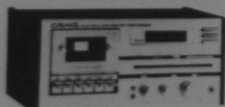


RMS game/computer switch

### Craig introduces two radio/cassette systems

COMPTON, CA—Two all-in-one units, a small audio home entertainment system, a car cassette player and AM/FM personal receiver have been introduced by Craig Corp.

Models A2020 and A2001 combine



Model A2020 radio/recorder

AM/FM digital clock radios with cassette recorders in all-in-one systems with end-mounted speakers. Alarm, snooze and sleep functions and a pause control are standard functions on both. Battery backup, which powers the clock in case of power failure, is also incorporated.

In addition, step-up model A2020 has a message center with an indicator light. A short message can be left on tape with the included microphone. Suggested minimum retail for the A2001 is \$119.95; for the A2020, it's \$169.95.

Road-Rated cassette player, model

T-104, is adaptable to most foreign and domestic cars. The unit features auto-reverse, Dolby noise reduction and pre-amp output jacks, which permit the use of optional equalizers and power amplifiers. Suggested retail price is \$139.95.

Model J740 Soundalong is a portable AM/FM stereo receiver with open air circuitry stereo headphones. Unique to this unit is automatic battery charging for use with optical NiCad cells, and an all-weather sport case. It retails for \$59.95.

Craig Corp., 321 West Artesia Blvd., M. Compton, CA 90220.

### Webcor intros Zip 757 multi-function telephone

PLAINVIEW, NY—Webcor Electronics has introduced Zip 757, a multi-function telephone.

It features a 16-memory capacity dialer utilizing the standard push button dialing pad to program the memory and for memory recall. Other features include last number redial, automatic redialing every minute for up to 15 minutes, and a switch to interchange the dialing system from true tone to rotary service.

The Zip 757 also has a speaker which allows hands-free dialing—push a button, wait until the call is answered, then pick up the phone to talk.

The unit touts a clean appearance. It comes gift-boxed. The suggested retail is \$199.95.

Webcor Electronics, 28 S. Terminal Dr., M. Plainview, NY 11803.



Webcor Zip 757

MERCHANDISING

## PRERECORDED VIDEO REPORT

### Tape surcharge foreseen due to Sony case; ITA panel urges sales/rental co-existence

Controversy still exists over prerecorded material as well. But a general consensus was reached by the program suppliers and retailers that the



...with Gillette, both in the U.S. and abroad. The Schawbel Corp. will also offer management services to other consumer goods manufacturers as well.

Housewares Trendings: page 14

MERCHANDISING

DECEMBER, 1981

## NEWSFEATURES

# Retailers predict healthy sales, larger margins for 1982

By Rondi Stearns, contributing editor  
LOS ANGELES—Looking ahead to 1982, a number of retailers interviewed by *Merchandising* are scoffing at warnings that the current recession will have adverse effects on their businesses, and are predicting bigger sales and larger margins in the coming year.

Electronics dealers are the most optimistic, expecting sales increases of up to 30 percent. Projecting more modest gains of 10 to 20 percent are major appliance and housewares dealers.

All the retailers agreed that high interest rates this year have discouraged customers from making large purchases on credit. And with less disposable income due to rising prices, some consumers are reluctant to buy at all. However, the retailers are optimistic that interest rates will ease by spring, bringing their customers' purchasing power back to life.

Because of this, most of the dealers plan to maintain their sku's and inventories. Some are even increasing their stocks, although they continue keeping a close watch on spending fluctuations.

Some of this dealer confidence can be attributed to the remodeling trend. The decline in the housing market, caused by high mortgage rates, has spurred many consumers to upgrade items in their existing homes.

Furthermore, to coax consumers who are wary of spending in an uncertain economy, more emphasis is being placed on promotion. Some retailers said they will be spending less on in-store events, but will stress print and direct-mail advertising.

### Electronics look good

In the electronics category, prospects are the brightest. "We expect a sales increase of 20 to 30 percent in '82 with video games, telephone answering machines and computers the hottest items," said Donald Kapicka, electronics buyer, The Broadway, Los Angeles. Calculators and cameras, on the other hand, will be slow sellers, he predicted.

"Electronics are pretty sheltered from downturns in the economy. The merchandise is always so new and innovative that it attracts customers. It isn't as hard hit as other categories," said Kapicka.

Even though business has leveled off at the close of 1981, Leonard Chandler, a salesman at American Tape and Video, Atlanta, remains optimistic about next year's outlook. An increase of 10 to 15 percent is expected, led by videogames and computers, he said.

The store anticipates it may be able to increase its profit margin by five to 10 percent in '82, reported Chandler. He hinted that this could happen particularly if some of his store's competitors are forced out of business.

"This is possible since some of our competition has expanded too rapidly without having the product knowledge necessary to succeed. They don't even have a service department, so we service their sales," said Chandler.

Mark Pechan, owner, Audio Art, Richmond, VA, expects '82 sales will be \$10,000 to \$12,000 better than '81. Speakers and perhaps digital audio discs (if they reach the market next year) will be the best selling items, he forecasted.

"Even though high interest rates have slowed sales somewhat and disposable income is down, we still plan to increase margins by holding lines," Pechan added.

"There's nowhere to go but up in the personal computer category," said Michael London, Lechmere Sales, Boston. He said, however, it is too early to tell just how much sales will increase, adding that the figure is more dependent on product availability than demand.

### Appliances sold as replacements

Washers, dryers, refrigerators and 19-in. TV's are expected to lead the way to a 20 percent increase in sales at Bernie and Harry's Appliances, Baltimore, reported Harry Kellman, executive director. Sales of ranges, however, will probably be slow, he added, since, "The market for new housing is down and ranges last a long time."

Also optimistic about business for the coming year, Stan Krangel, co-

hope for a sales increase of 10 percent," said Judy Pezone, sales clerk, Creative Cooking, Newark, DE. Food processors and giftware will be most popular, with a lesser demand for specialty items such as coffee makers and cappuccino machines, she added.

Myrna Cheff, assistant to the president, Fortunoff's, Long Island, predicted a moderate increase in housewares sales, but "no big surge." Cheff attributed the demand for products to the fact that "People are fixing up their homes and not moving."

"There will be little demand for gimmicky housewares items," said Fred Pelligrino, vice president, Bergner-Weise, Rockford, IL. "The demand will be for bare necessities—such as food preparation goods, counter-top items and irons, which are all things that people feel they must replace if they wear out."

### More credit purchases predicted

Those retailers interviewed are looking forward to spring, when they

Pechan. "Interest rates should go down. However, I don't expect the general economy to really pick up until spring," he said.

"We are looking to spring to see the end of the recession," agreed Krangel. "Then new home construction will pick up and we'll have better sales."

Most of the retailers interviewed plan to maintain their inventories and sku's until then in hopes that their optimistic forecasts will become reality. They agreed they would increase inventories directly with jumps in sales, and some have even made plans to increase stocks.

Kellman, for example, plans to increase the inventory at Bernie and Harry's Appliances by 15 percent, while Kapicka intends to increase sku's in computers and video games.

"We plan to keep our inventory the same because we don't feel there will be any problem. However, we are watching carefully and will adjust accordingly," said Cheff.

The dealers also reported that they expect the remodeling boom will continue well into next year.

"We plan to continue stressing built-in appliances and concentrate on remodeling," said Murray Province, owner, Murray's Appliance and TV, Atlanta. "People will be buying appliances to fix up their homes, but will still shop around for good buys."

### More promotions planned

To attract the more selective customer who is anxious about the economy, many of the dealers plan to become more promotional. "We're changing our tactics and using more mail-outs and newspaper advertising instead of expensive in-store promotions. This will provide a more consistent level of advertising," said Province.

But just in case credit conditions don't improve as anticipated, Province added, "My approach is to channel advertising to the \$20,000-and-up income bracket. These are the cash-and-carry customers."

Pelligrino plans to concentrate on promotions stressing qualitative factors to coax customers to buy, noting, "In the Midwest, the newspapers are playing up the effects of the recession."

"It's not that unemployment is tangibly bad," he said. "It's that people have a fear of what they are reading, and it is leaving a sour taste in their mouths."



HIGH INTEREST RATES have discouraged customers from making large purchases on credit, retailers agree. But they are optimistic that rates will ease by spring, reviving consumer purchase power.

owner, Array Appliances, Folsom, PA, predicted sales would jump by 10 percent in '82. "Refrigerators, washers and dryers will be the hottest products since there is a lot of remodeling going on," he said. "There are a lot of home owners with low mortgage rates in the area."

"Sales of housewares for '82 will be at least comparable to '81. But we

expect to see the recession end and high interest rates drop, encouraging more spending on credit. "I believe there is a lot of pent up buying out there," said Cheff. "There has been a slowdown in buying on credit, but that will go back up again in the spring."

At Audio Art, high interest rates have slowed sales somewhat, said

## Retailer hopes videogame rentals will increase volume

By William Silverman, sr. assoc. ed.  
NEW YORK—A Queens, NY, video software retailer thinks he may have found a new way to generate income from videogame cartridges. He has decided to try renting them. Starting last month, rental club memberships could be purchased for \$35. The cartridges then cost 99 cents a day for up to seven days, said Alan Karp, owner of Video Hut.

He hopes the new system will generate profits both from rentals and sales. If a customer decides to keep the game, he can apply the rental fee toward the cost of a new cartridge.

"The vast majority of games are priced out of reach of many young people," Karp added. "This seemed

a way to get additional dollars." Video Hut sells Mattel, Atari and Odyssey cartridges.

When *Merchandising* contacted the 27-year-old retailer, Karp had just begun to rent videogames, and had not done any advertising for the programs. So sales results could not be determined.

## Pfizer expands research laboratories in Easton

NEW YORK—Pfizer, Inc. has announced a million-dollar expansion of its research laboratories at Easton, PA, to accommodate magnetic tape coating and testing facilities.

The installation will enable Pfizer to

strengthen its technical service and research capabilities by producing very thin, ultra-smooth precision tapes needed to correlate and coordinate Pfizer's test results with those of its sophisticated customers.

The store has been open for five months. It also repairs videogame hardware, according to a sign in the window. Repair work is done by a local repairman in his own shop. Consumers pay an average of \$40 or so, affording Karp a "good profit."

Video Hut is affiliated with National Video, although it is not a franchise.

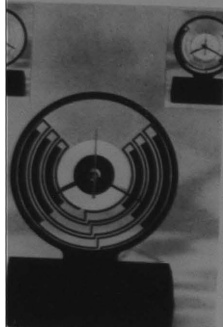
## Lock face changes from clear to color

CHICAGO—A battery-operated artz clock, model LMC-10, from InterCrafters sports a liquid face that constantly changes design from clear to color.

As minutes pass, the face fills with red liquid and empties, creating ever changing design. The same process is repeated every minute.

Available in green, red, blue, black and amber liquid, the unit weighs three lbs. and is UL-listed.

InterCrafters Clock Corp., 1642 Wesley Court, M, Chicago, IL 60622.



Liquid Motion clock

## juicer models

Corp. of America, Rt. 44, M, New York, CT 06057.



Waring Titan blender



(9050-1516) 484-5455 (800) 645-6370

MERCHANDISING

DECEMBER, 1981



## NEWSFEATURES

# Phone deregulation delay slows growth of price competition

By William Silverman, sr. assoc. ed.  
BOSTON—The recent decision by the Federal Communications Commission (FCC) to push back deregulation of the Bell System has both good and bad implications for retailers.

On one hand, they have a temporary respite from the increased price competitiveness that is sure to follow the full-fledged entry of Ma Bell into telephone retailing.

However, the delay also portends a lower level of activity in terms of advertising and product innovation.

Those are the views of Dr. Alan Baughcum, director of telecommunications research at Charles River Associates and co-author of the book *The Economics of Competition in the Communications Industry*.

Under the latest FCC guidelines, Bell must have a telephone sales division in place by Jan. 1, 1983, instead of March, 1982.

In a recent interview, Baughcum explained, "Anytime you have the Bell system with an extensive system of phone stores, you have competitive pressure."

"The consumer will be well served by having Bell in this market," he continued. "It will bring pressure on prices."

At the same time, though, there will be more product innovation. Telephones will be more compact, and will offer more services—such as auto dialers, memory and answering features—for less money, he predicted.

But despite the eventual entry of the Bell system into an increasingly competitive market, Baughcum said, "I worry that to the extent it requires Bell to distance itself from its parts, this might be an impediment to the

rate of technological innovation."

In a recent paper, *On the General Impossibility of Communications Monopoly*, he spoke out against this process of forcing Bell to sell phone equipment through a separate subsidiary, which in turn is monitored by a regulatory authority.

"Imposing particular structural forms on rapidly developing markets seems to me inappropriate," he concluded. "Inappropriate because such imposition takes place on the basis of inadequate or incomplete or nonexistent analysis and inadequate simply because no one has the ability to forecast what's likely to happen in the rapidly developing telecommunications sector."

"Traditional distinctions between voice and data, between entertainment and telephone, between newspapers and television, etc., are simply going to be inapplicable in the future," he wrote. "The ability of telecommunications firms to respond to this merging will depend importantly upon their ability to move across a variety of transmission technologies."



TEMPORARY RESPITE from price competition has been granted independent phone retailers by the FCC's decision to push back deregulation of the Bell System.

## Novelty alone won't sell, Game-Time watch vendor says

By William Silverman, sr. assoc. ed.

SANTA MONICA, CA.—Hordes of consumers may well continue to seek out electronic games this Christmas and in the months ahead, but they will be more selective in their choices.

"There will be fewer successful products, but they will be bigger successes," predicted Lee Chaden, vice president of marketing, General Consumer Electronics Corp. (GCE).

The first product of the year-old

firm, Game-Time, an electronic watch that plays four arcade-style games, has been a fast seller in six major markets this fall.

Still, Chaden pointed out, "What has happened is that novelty is no longer sufficient to be successful in electronic games. Consumers are getting very selective regarding game play and satisfaction. And the commitment to marketing support is also needed."

"Electronic games are simply another form of a product that has been around forever," he added. "Over time, learning aids will also be a big category. With mass production, they'll become less expensive and more powerful."

Even though several watch companies have also introduced game pieces, the 39-year-old executive predicted that play value and marketing support will keep the GCE product selling, at least through 1983. The 200,000 pieces allotted for Christmas 1981 have largely been spoken for by retailers, he said.

But Chaden cautioned retailers that in the event the watch is merchandised away from the toy department, and in a watch case, the packaging should not be discarded. Removing this descriptive box would have a dramatic impact on sales, he said.

In January, the under-\$40 watch will be made available nationally, and several new pieces may also be shown at CES.

Ed Krakauer, who helped found the electronics division of Mattel in the mid-1970s, is GCE chairman of the board.



FEWER SUCCESSES may come out of the market in the future, predicts Lee Chaden, vice president of marketing, General Consumer Electronics Corp. "But they will be bigger successes," he notes.

## One-brand systems invite price wars, warns supplier

NEW YORK—Beware of the one-brand systems!

That's the warning issued recently by Frank DiGirolamo, president of Epicure Products, Inc., and Armin Graf, sales director of Thorens-Franz AG of Switzerland.

"These are difficult times to merchandise home high fidelity," said DeGirolamo. "Pressures are here to merchandise the one-brand systems and promotional speakers from these suppliers."

But he advised audio specialists in particular to resist the trend. "Because if you don't, the only difference between you and the mass merchandiser is price, and we all know where

that leads."

DiGirolamo also noted that with the number of speaker manufacturers decreasing, six or eight key speaker specialty suppliers are emerging. This, he stressed, makes it crucial that a specialty dealer choose carefully when picking vendors. A maximum of three or four lines should be carried to allow the dealer to work closely with the manufacturer to buy better, improve inventory turnover and maximize return on investment.

There is a trend in Europe that is now catching on in the U.S., he added. "That is to buy quality. The audio retailer should realize this is a force that can help him return to the

levels of profitability where he needs to be to stay in business."

"Dealers should be aware," noted Graf, "that when they sell a brand they're not just selling a product. They're selling a reputation as well."

Said DiGirolamo, "The audio specialist has built his business by carefully matching high fidelity components from several specialty manufacturers to offer the consumer better sound for the dollar. He has backed it up by providing the audio consumer with knowledge and service."

But to cope with the economy, lack of dynamic growth in the audio industry and changing patterns of distribution, a number of specialists have dramatically changed course.

"Our advice to them," said DiGirolamo, "is to return to the basics and provide the consumer with what they do best."

In product news, the Epicure spokesmen reported they planned to continue defending the belt-drive turntable over others. "Belt drive with floating suspension is better than any other drive system on the market," said Graf.

He also noted that the company is looking into PCM turntables, but will not go into the market "until we see the necessity."

"PCM turntables will go hand-in-hand for at least 10 years with today's turntables," he predicted. "After all, we still sell turntables with 78 rpm settings, and demand for them is even growing."



## Onkyo relocates headquarters to Ramsey, NJ

A 300 PERCENT INCREASE in office and warehouse space has been picked up by Onkyo USA in its move to new national corporate headquarters in Ramsey, NJ. To be able to absorb additional growth, the company has invested in additional staff plus a variety of modern business systems including new computer technology. These new systems are geared to keeping the company responsive to its dealers. Onkyo was formerly located in Long Island City, NY.